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TODAY: STYLE A Modern Princess, Page 10

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Diana's Driver Was Legally Drunk; Cyclists 'Surrounded' Speeding Car

Palace Sets The Funeral For Saturday

By Tom Buerkle
International Herald Tribune

LONDON — From every part of Britain and beyond, people came to St. James's Palace by the thousands Monday to mourn Diana, Princess of Wales, in a powerful testament to a personal appeal that transcended barriers of age and sex, class and nationality.

Buckingham Palace opened a week of national mourning by announcing that Diana's funeral would be held Saturday at Westminster Abbey, the site of coronations, weddings and most other major royal occasions for 800 years.

The place and the timing were chosen to allow the greatest number of people to pay their respects, officials indicated. Her family's desire for privacy will be met by a private burial later that day at the Spencer family burial site in Northamptonshire in central England.

"This is a unique funeral for a unique person," a spokesman for the royal family said.

It was a sentiment shared widely by the people who stood for hours in a nearly half-mile-long line outside St. James's Palace, where Diana's body lay in a coffin, to sign books of condolence. Mourners were not allowed to file past the coffin, which rested before the altar of the palace's chapel.

Diana's sons, William, 15, and Harry, 12, remained with their father, Prince Charles, and other members of the royal family in Balmoral, Scotland.

The memory of her beauty, style and courage, and the sense of a dynamic life cut brutally short, led many commentators to evoke the memory of President John Kennedy's assassination in 1963.

"Kennedy's death left a great void in the lives of Americans," the Daily Express said in an editorial. "The death of Diana leaves a similar void in ours."

In Paris, meanwhile, the scene of the automobile accident early Sunday that claimed the lives of Diana and her companion, Dodi al Fayed, French prosecutors announced that the driver, Henri Paul, who also was killed, had a blood-alcohol level well above the legal limit.

Prosecutors have not yet interviewed Trevor Rees-Jones, Diana's bodyguard and the only survivor, who is hospitalized.

Controversy also continued to rage over what role, if any, the press played in the accident.

Prosecutors extended the detention of

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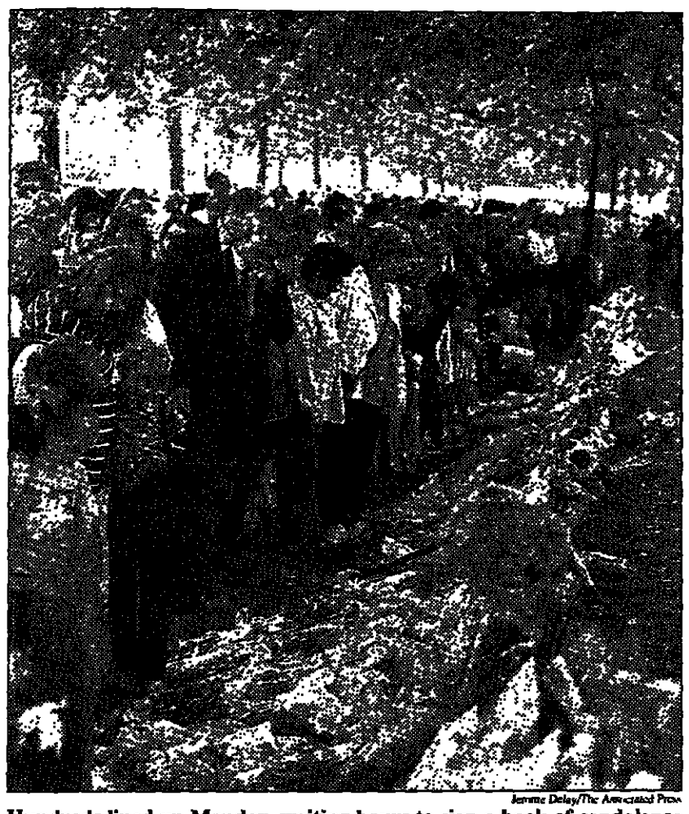

Jerome Delay/The Associated Press

Hundreds lined up Monday, waiting hours to sign a book of condolence inside St. James's Palace, where Diana's coffin lies in the royal chapel.

Exact Cause Of Accident Still Unclear

By Craig R. Whitney
New York Times Service

PARIS — The Paris prosecutor's office said Monday that the blood alcohol level in the body of the driver killed with Diana, Princess of Wales, and her companion, Emad Mohamed (Dodi) al Fayed, in a high-speed car crash was above the legal limit.

A statement by the office leading the investigation said the driver's blood showed a "violation level" of alcohol.

Investigators speaking on condition of anonymity said that the body of the driver, Henri Paul, 41, assistant director of security at the Ritz Hotel, which Mr. al Fayed's father, Mohamed al Fayed, owns, showed a blood alcohol level of 1.75 grams per liter, or more than three times the 0.5 level above which it is illegal to drive.

Police sources, quoted by Reuters, said it would take 10 glasses of wine for an average-sized man to reach 1.75 grams.

What caused Mr. Paul to lose control behind the wheel of an armored Mercedes S-280 sedan — not a heavier S-600 as reported initially — and slam into a support column in a road tunnel early Sunday was not clear.

Bernard Dartevelle, a lawyer for Mohamed al Fayed, said Monday that he had spoken to a witness who had been driving ahead of the Mercedes who described it as "surrounded by so many motorcyclists that he believed it was an official cortege."

The Ritz press office said that Mr. Paul was a specialist in military security and had been trained as a chauffeur in high-security driving situations by Mercedes in Germany.

Police who examined the wreckage said the car was traveling far above the speed limit of 50 kilometers (30 miles) an hour before it went out of control in the tunnel. One investigator estimated that it was going 150 kilometers (90 miles) an hour.

After the accident, the police said that the photographers pursuing the couple on motorcycles and scooters could have contributed to the causes of the accident, in which Diana's British bodyguard was also seriously injured, and took seven people they described as photographers into custody at the scene.

French news agencies and Le Monde had reported that the first police on the scene found photographers snapping pictures instead of trying to help the survivors of the crash, and resisting police orders to leave.

The seven people detained can be held for 48 hours before prosecutors file charges. The prosecutor's statement Monday indicated that some of them could face judicial charges, including failure to provide aid at the scene of an accident, a criminal act in France that can entail five years of imprisonment and a 500,000-franc ($83,000) fine.

"Searches have also been carried out in the offices of various press agencies for possible seizure as evidence of photographs of the chase and the accident which they may have received," the prosecution statement said.

"Investigations have been ordered to determine the context of the chase and to evaluate the behavior of the driver of the car so as to determine how he may have been hindered or influenced on the road, not only by the pursuing vehicles but also by any other circumstances," the statement continued.

"In this regard, the analysis of his blood revealed a degree of influence of alcohol of violation level."

As for the photographers, the statement said, "The investigation has been able to determine more precisely the behavior of certain persons who did not give the aid and assistance normally required in case of an accident on a public road.

"When the 48-hour detention period

See PARIS, Page 6

On Jobs, Europe Goes The Temporary Route

Short-Term and Part-Time Positions, Long Avoided, Make Up Most Hiring

By Edmund L. Andrews
New York Times Service

PARIS — Tabienne Rogard just started a job as an executive secretary at one of France's biggest food companies. But she is not excited: This will be her tenth job in four years, and she already knows she will be looking for work again in six months.

"I used to think that if I was very good and very involved, I could stay with the company," said Miss Rogard, who is 32 and a single mother.

After victory in UPS strike, U.S. labor scents comeback. Page 12.

"But no. There is no possibility. With this job, I am replacing a woman who is having a baby. When she comes back, I leave."

Miss Rogard is at the center of a broad shift in the way Europeans work: the rapid decline of the traditional full-time job. Temporary jobs, part-time work and other forms of nontraditional employment — long anathema to European unions and governments — have become by far the most important source of new jobs across the Continent.

Although the recent United Parcel Service strike focused attention on the use of part-timers in the United States, the global trend is quite different.

The proportion of part-time workers in the United States has been steady at about 18 percent for more than a decade. But the proportion is higher in many European countries and is growing quickly. Meanwhile, the number of temporary workers — people who may work full-time but move from company to company — is soaring.

In France, the national job-placement agency reports that 66 percent of its postings are for temporary contracts that last less than a year. In Spain, more than 90 percent of all new jobs go to workers with temporary contracts, and only a small percentage of those turn into permanent positions. In the Netherlands, 37 percent of all workers are part-timers.

That is a tremendous shift from 10 years ago, not just in numbers but in cultural taboos. For years, European governments prided themselves on enforcing strong job-protection rules, making it extremely difficult for companies to lay off workers. Temporary job agencies were scorned in many countries and illegal in some.

Now, with unemployment running more than twice as high in Europe as it is in the United States, many governments and unions are encouraging alternatives to traditional work. Companies have jumped at the new opportunities, creating few new permanent jobs and plugging gaps with temporary workers or part-timers as much as possible.

Executives say the biggest force driving this is the rigidity of standard workplace rules, which make it al-

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AGENDA

Burma Faces Ban Over Drug Trade

Burma will be banned from a gathering of European and Asian government leaders next year, according to Foreign Secretary Robin Cook of Britain. Mr. Cook, who was in Singapore Monday on the last leg of an tour of Southeast Asia, said Burma's leaders would be denied visas to attend the talks because of the country's involvement in the drug trade.

"Burma is the largest single world producer of opium, and it has achieved that infamous position precisely because it is a government that does not act against the drug barons," the British minister said. Page 7.

Adel Hana/The Associated Press

HOPING — Gaza Strip Palestinians waiting Monday to be issued Israeli work permits. Page 5.

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The IHT on-line www.iht.com

Paparazzi, Under Attack, Fault Editors and Public

By Alan Riding
New York Times Service

PARIS — With paparazzi facing public outrage for their role in the car crash that killed Diana, Princess of Wales, photographers of all genres closed ranks Monday to claim they were scapegoats for the public's embarrassment at its insatiable appetite for intimate shots of celebrities.

News media soul-searching. Page 6.

"There's too much hypocrisy," said Jean-François Leroy, director of the Perpignan Festival of Photo-Journalism. "Those who denounce the paparazzi today will be the first to buy the photos of the young princes crying at Lady Di's funeral. The paparazzi respond to the photo agencies, which respond to the newspapers and magazines, which respond to the public."

In an editorial, Bild Zeitung, Germany's top-selling daily, even used public interest to justify its front-page color photograph Monday of the crashed Mercedes S-280 in which the princess died, with rescuers still trying to extract the victims. The photograph was apparently taken while emergency services were struggling to save Diana's life.

"Members of a royal household have less of a private life than normal mortals," Bild Zeitung wrote. "They lead a public life and enjoy a higher regard the more that this life is exemplary. A camera cannot censor that. But there are

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Pierre Bouvier/Agence France-Presse

Flowers were placed over the Alma tunnel in Paris on Monday where the Princess of Wales was killed Sunday.

Hong Kong Bears Pounce On China-Linked Stocks

By Philip Segal
Special to the Herald Tribune

HONG KONG — Local investors joined the panic to exit the Hong Kong stock market Monday, driving China-linked stocks down along with the already battered blue-chip shares, and sending the benchmark Hang Seng Index to below where it was when the year began.

Shaken sales executives at brokerages across the city said more losses could be in store, since the China shares have risen so far this year on speculative hopes rather than on firmly improving earnings.

The Hang Seng fell 709.60 points Monday to 13,425.65, a fall of 5.02 percent. That brought the decline since the close on Wednesday to a stunning 13.57 percent. The index has fallen from a high of 16,673.27 early last month and is now below the 13,451.45 mark at which it started the year.

"Liquidity has just evaporated. It's phenomenal," said Niall Gooding, head of sales at Schroder Securities, who noted that the American market was closed Monday for the Labor Day holiday.

"It all happened in the absence of U.S. investors," he added. "They will come back and chances are there will be another wave tomorrow. The outlook is not good."

The Hang Seng's slide over the last three trading days came as mutual fund managers, facing the possibility of investor redemptions in the midst of Asia's currency instability, have sought to sell their most liquid stocks to raise cash. In Asia, the most liquid stocks are Hong Kong blue chips.

Although Hong Kong is still one of Asia's better-performing markets in the year to date, the Hang Seng Index is now down 0.2 percent since Jan. 1, but is still trading at 15.9 times the latest year's earnings of the companies whose shares comprise the average. That is well above the 11.6 times earnings the Hang Seng reached at the time of Asia's last currency crisis in January 1995. As recently as April 4, the index was trading at just 14.1 times earnings. The higher the price-to-earnings ratio, the more investors are willing to bet that the stocks will rise.

The sell-off that began in August has until now affected blue chips, but on Monday a new factor came into play: Local investors who had bought highly speculative China-linked stocks on borrowed money faced margin calls when the value of their collateral, often blue-chip holdings, began to erode.

"The banks called loans, and asked clients to lower their margins," said

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U.S. Military Wants to Test-Fire Laser at Satellite

By William J. Broad
New York Times Service

NEW YORK — Developers of the U.S. military's most powerful laser are seeking permission to fire its beam into space at a $60 million Air Force satellite in what military officials say would be the first test of its kind.

The test, planned for September, would be a major step toward perfecting a weapon that could demolish satellites and other spacecraft, an ability that the Pentagon regards as crucial in time of war.

But advocates of arms control say the test is likely to set off a race for new space weapons that will ultimately endanger the nation's own satellites. And the maker of the satellite, which is owned by the Air Force, says that the craft still has years of useful life and that its destruction would be a foolish waste.

The military wants an anti-satellite weapon mainly to stop enemies with orbital cameras from spying on American weapons and troops during combat. For years, the United States dominated space-based reconnaissance, but recently other countries and even private companies have begun efforts to loft their own spy satellites, with the companies seeking to market high-quality satellite photos.

The United States has no demonstrated way of shooting down satellites, though experts speculate that it may have secret ways that could work in an emergency. In theory, a laser weapon would allow the United States to dominate the world of orbital reconnaissance at least for a while.

The laser, installed at a sprawling base in the New Mexico desert, is run by the army. The planned test would have it strike the Air Force satellite, an experimental craft designed to improve ways to track missiles, to see what it takes to destroy it. The Air Force says it no longer needs the satellite and plans to switch it off, despite the maker's protests.

On Thursday, military officials met at the Pentagon to review the laser plan but came to no decision on whether to approve it. A final go-ahead would probably have to come from the secretary of defense, probably in concert with the White House.

Congressional critics and arms-control groups have long campaigned against firing the powerful laser at space targets, an idea much talked about since it flashed to life over a decade ago. Around 1990, congressional Democrats won a legal prohibition on test firings of the big laser against satellites. But in 1995, the Republican-led Congress let the ban expire.

The powerful laser, known as Mirael, for Mid-infrared Advanced Chemical Laser, is based at the White

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Censorship in Turkey / **Vigil on the Bosporus**

Prosecutor on Alert for Propaganda and Sedition

By Stephen Kinzer
New York Times Service

ISTANBUL — In a sunlit office near the Bosporus, Erol Canozkan spends his days reading newspapers in search of terrorist propaganda.

Mr. Canozkan is a government prosecutor assigned to help enforce Turkey's press laws. Many critics here and abroad say that the laws limit free speech and penalize writers who give frank views about social and political problems.

But Mr. Canozkan is proud to be on the front line of what he calls a war against subversives seeking to destroy Turkey.

"We have special laws here because a war is being fought in this country," he said, referring to the 13-year conflict between the army and separatist Kurdish guerrillas. "As part of their strategy, the terrorists have set up all kinds of little newspapers that openly advocate the violent destruction of Turkey. The people who write for these papers are not real journalists but spokesmen for terrorist groups."

When Mr. Canozkan finds an article that he deems an incitement to violence or that he thinks insults the security forces or the memory of Mustafa Kemal Ataturk, founder of the Turkish Republic, he puts it in a pink folder with the offending passages underlined. Then he forwards it to his superiors for possible prosecution.

"I get a very good feeling doing this work," he said. "I'm defending the Turkish nation and its unity. My only regret is that we have not been able to explain to our friends in the West why it is so urgent that we do this."

Although there is no prior censorship in Turkey, laws that restrict press freedom are considerably tighter than those in the United States and most other Western countries. Foreign governments and international press organizations have condemned the laws, saying they are used to suppress not only libel of state institutions but also legitimate criticism.

It is difficult to learn how many Turkish journalists are in prison for actions that would be considered legal in most Western countries. The Publishers Association of Turkey estimates the number at more than 100. The New York-based Committee to Protect Journalists, which sent a delegation here in July to urge a loosening of press laws, said there were 78 before the recent release of six.

"We want to save Turkey from the shame of being a country where writers and intellectuals suffer in prisons," Sezer Duru, chairman of PEN-Turkey, the writers organization, said in a recent speech. "Our greatest wish is to live in a modern, civilized, democratic and peaceful environment."

The two-month-old government of Prime Minister Mesut Yilmaz has pledged to take steps toward greater press freedom.

Previous governments also made such promises but failed to keep them.

Powerful political forces, among them the military, insist that restrictive press laws are necessary to fight subversion.

"We are not going to allow debates in which the Turkish flag is called 'a piece of cloth,' the national anthem is called 'a piece of music' and the Turkish Republic's founder and leader, Kemal Ataturk, is exposed to humiliation," Admiral Guven Erkaya, commander of the Turkish Navy, recently told the Istanbul newspaper Milliyet. "Debates like these aim to create a vacuum that would be exploited by those who wish to replace the current regime with an outdated model."

Last month, Parliament passed an amnesty that resulted in the release of six editors who had been jailed for permitting the publication of illegal articles. Conditions of the amnesty were very narrow. The laws under which the editors had been imprisoned were not changed. The six were warned that they would be sent back to prison if they wrote or published more articles deemed illegal.

Asked a few days after his release why he thought Turkish governments had been so reluctant to allow broader press freedom, one of the editors, Ocak Isik Yurtcu, who spent more than three years in prison, smiled wanly and replied: "I can't really say. Please understand that I'm on probation. You know what that means."

One of the most relentless challengers to Turkey's press laws is a publisher named Ayse Nur Zarakolu. She opened the Belge International Publishing House in 1976 and now operates it from a cluttered basement in central Istanbul. She describes her mission as challenging taboos, and she has done that as relentlessly as anyone in this country.

In the last few years, Ms. Zarakolu has published books that denounce the government's war against Kurdish guerrillas, accuse the security forces of involvement with death squads and document mass killings of Armenians in the early years of this century.

She has served four prison terms since 1982 and was most recently convicted for publishing a human rights report that quoted an unnamed diplomat describing some Turkish soldiers as "thugs."

Twenty-two cases are pending against Ms. Zarakolu, but she shows no sign of weakening. After her most recent conviction, she vowed to continue her work even if it meant more jail.

Some Turks, including Oktay Eksi, president of the Press Council, an independent group that works closely with the government, assert that the figures on imprisoned journalists given by the Publishers Association of Turkey and the Committee to Protect Journalists are too high.

"We have looked at every case," Mr. Eksi said in an interview, "and after eliminating journalists who were convicted of crimes like rape and fraud, and those who directly advocated terror or violence, we came up with 24 who were truly imprisoned for simply expressing peaceful beliefs. With the recent releases, we now count 18. I am not going to tell you that 18 is not a big number. One is too many. But it's important to give a true picture."

Staton R. Winter/The New York Times

A relentless fighter against censorship, Ayse Nur Zarakolu, a publisher who has been in prison four times, says there can never be real democracy in Turkey 'as long as people cannot express their identities and their views.'

Turkish Islamists Attack a Secular TV Station

Reuters

ISTANBUL — A group of 150 Turkish Islamists attacked the studios of a leading secularist television station, breaking windows and damaging equipment but causing no injuries, according to the Anatolian News Agency.

The agency said the attackers chanted slogans against a government bid to restrict religious education in the incident on Sunday night at the ATV channel in Istanbul.

Islamists have staged demonstrations all over the country in recent weeks to protest government plans to bolster compulsory secular education to eight years from the current five. Parliament two weeks ago passed the reforms, which diminish the role of religious secondary schools.

Algeria Orders House Arrest Of Rebel Who Urged Talks

The Associated Press

ALGIERS — Algerian authorities placed the former leader of a banned Islamic group under house arrest on Monday, a day after he called for dialogue to end the insurgency rending the country for five and a half years.

The Algerian government ordered that Abassi Madani remain in his home and have contact only with his family.

The authorities threatened to send him back to prison if he disobeyed.

Mr. Madani, who was freed from jail July 15 after six years in prison, had already been warned once since his release to refrain from political activity.

Over the weekend, Mr. Madani urged the United Nations in an open letter to "open a serious dialogue" to end the violence that has taken more than 60,000 lives.

Killing continued unabated over the weekend. Independent sources and news outlets said Monday that Islamic militants killed 33 civilians and that government units killed 15 rebels.

Nineteen of the civilians were members of two families, and 13 of the dead were children, including three infants. They were slain in a coastal area known as Miramar.

The 14 other civilians were killed early Saturday by armed men who erected a fake police barricade near Khemis-Niliana, 100 kilometers outside the capital. Witnesses said the attackers sprayed two packed taxis with gunfire, killing everyone.

Algerian security forces, meanwhile, killed 15 suspected militants in a gun battle in north-central Algeria on Sunday, sources said. It was not immediately known whether any security troops had been wounded or killed.

About 1,500 people have been killed in attacks attributed to Islamic militants since early June, when the government swept Algeria's first multiparty elections with promises to crush the insurgency.

In August alone, it is estimated, about 700 people were killed.

The insurgency erupted in 1992 after the military-backed government canceled an election runoff that the Islamic Salvation Front was expected to win.

Mexico Ruli

By Julia [illegible]
New [illegible]

MEXICO CITY — [illegible] the government's [illegible] major concession to [illegible] avert a crisis that [illegible] Mexico with two [illegible] and a constituency [illegible] testing real democracy.

Delegates from the [illegible] olutionary Party [illegible] protest they had [illegible] recognized the legitimate

POLITICAL

Senators Attempting To Unpack a Court

WASHINGTON — [illegible] a decade, a group [illegible] Northwest has been [illegible] success to break up [illegible] cuit Court of Appeals [illegible] that it was too [illegible] portant, was [illegible] from California [illegible] vironmental [illegible]

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Hired and Fired

WASHINGTON [illegible] according to [illegible] would have given [illegible] writing specific [illegible]

TRAVEL UPDATE

SAS Goes Smoke-Free

STOCKHOLM (AFP) — All Scandinavian Airlines System flights are nonsmoking as of Monday, three months after the airline's European flights became smoke-free, SAS announced.

During a transition period, cabin attendants on all SAS flights will offer nicotine chewing gum to those in need of a cigarette substitute. On services to Japan, a nicotine inhaler will be provided as well.

"Half a year ago, we decided to introduce a nonsmoking policy on our entire network. Since then we have made considerable efforts to inform the public so that it won't come as a big surprise," said Jan Olson, director of service and product development.

Russia Hit by Hepatitis

MOSCOW (Reuters) — A hepatitis outbreak in the St. Petersburg, with contaminated well water reported to be the likely cause, has sent at least 53 people to the hospital, government medical authorities reported.

Residents of the city of Vyborg and towns of Svetogorsk and Lesogorsky were among those diagnosed over the weekend as infected with the hepatitis A virus.

Karl Smolikov, a spokesman for the Russian Emergency Situations Ministry, would not comment on what might have caused the outbreak, but the Interfax news agency quoted local emergency officials as saying that water from contaminated wells appeared to be the most likely reason.

Local authorities ordered schools and kindergartens in Svetogorsk and Lesogorsky closed.

Russia has seen a steady rise in the number of infectious diseases as the state-run healthcare systems struggles with a serious shortage of funding.

SAirGroup said its airline Swissair had signed an agreement with Malaysian Airlines. "The agreement calls for three weekly flights between Zurich and the Malaysian capital Kuala Lumpur," SAirGroup said. *(Reuters)*

Unrest Keeps Kenya Schools Shut

Agence France-Presse

MOMBASA, Kenya — Schools in the Likoni suburb of Kenya's port city of Mombasa failed to open Monday, the first day of this year's final term, after residents fled violence in the area, teachers said.

The suburb was deserted during the weekend after people left their homes in fear that the police would begin a search operation for 33 guns still missing after an armed band attacked a police station there Aug. 13.

"Almost all parents have fled to safer areas with their children," said the head teacher in the Likoni primary school, Said Hamisi Ganzala.

None of the 1,400 pupils enrolled in the school turned up for classes Monday morning, Mr. Ganzala said. Teachers did not report for work because most of them had fled.

Residents have been leaving Likoni, saying the police sent to the area to search for the guns were beating civilians, raping women and demanding bribes.

Others fear that armed gangsters, who have warned members of inland tribes in this Indian Ocean coastal region to leave or be killed, would carry out their threats.

At least 47 people, most of them from the interior, have been killed since the violence, which started with the raid on the police station. A dozen of the victims were policemen.

Five boys turned up for classes in the Likoni secondary school, but no teachers did. About 500 boys and girls attended school before the violence erupted.

"If the government does not restore security, our lives will be disrupted because we will not be able to sit our final examinations in November," said a student at the Likoni secondary school, Said Abdallah, 18.

The head teacher of Consolata primary school, Patrick Jacob Ouma, said teachers from upcountry districts were applying to be transferred to inland schools because of insecurity in the coastal region.

Ninety percent of the teachers in Mombasa district come from the interior, Mr. Ouma said. None of his 630 pupils and 22 teachers turned up for classes Monday morning.

ADVERTISEMENT

BUILT FOR CHANGE

By April next year, you might hardly recognize Hong Kong.

Even the airport will have changed. The new airport at Chek Lap Kok off Lantau island will be one of the most advanced in the world and will eventually handle up to 87 million passengers a year.

香 港

The new airport is just one of a multitude of major infrastructure projects, costing a total of $20 billion. There will be high-speed rail links, a whole new town development, and 34 kilometers (21.7 miles) of expressways and tunnels.

You can already cross the Tsing Ma Bridge, the world's longest road-and-rail suspension bridge, which links the new airport to Kowloon. Or ride through the third cross-harbor tunnel from Kowloon to Hong Kong.

But traditional ways of life have altered very little. The Western Harbor Crossing links Kowloon with Western District, a maze of traditional Chinese medicine stores and rice traders.

On the waterfront of Victoria Harbor, you can see the ultra-modern HK Convention and Exhibition Center Extension, which opened just in time for the historic Hand-over Ceremony on June 30, 1997.

One thing that hasn't changed is Hong Kong's simple entry procedures. Most people still don't need a visa to visit the land where wonders never cease.

http://www.hkta.org

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WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Showers and thunderstorms are in store for New York and Boston Wednesday as a strong cold front moves through, then much cooler through Friday. The Midwest will be cool into Thursday, then sunny and milder Friday. Sunny and hot from the Southwest to the northern Plains

Europe
Warm with sunshine from Hungary and Poland to Helsinki and St. Petersburg Wednesday through Friday. Cloudy with rain in London Wednesday, then partly sunny and breezy. Windy and cool with showers in Scotland, but sunny and warm in Spain. It may thunderstorm in Paris Thursday

Asia
Typhoon Bing could cause heavy rains near Tokyo Wednesday, then partly sunny and comfortable into Friday. Mixed clouds and sun at Seoul with a shower possible each day. Partly sunny and pleasant in Beijing through the period, but there can be heavy rains near the southeast coast.

Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	29/82	18/64	s	30/86	21/70	s
Amsterdam	18/64	13/55	r	21/70	16/61	sh
Ankara	32/71	6/43	pc	22/71	4/39	c
Athens	27/80	19/66	pc	24/75	18/64	pc
Barcelona	23/73	14/57	pc	23/73	15/64	pc
Belgrade	26/79	14/57	pc	27/80	14/57	pc
Berlin	28/82	19/66	pc	27/80	17/64	c
Brussels	19/66	13/55	sh	21/70	16/61	sh
Budapest	26/79	16/61	c	27/80	15/59	pc
Copenhagen	24/75	18/64	c	24/75	16/61	r
Costa Del Sol	29/84	18/64	c	28/82	20/68	s
Dublin	19/64	16/61	r	18/66	9/48	c
Edinburgh	17/62	14/57	sh	17/62	8/46	r
Florence	31/88	18/64	pc	31/88	17/62	pc
Frankfurt	28/82	17/62	pc	27/80	17/62	c
Geneva	26/79	13/55	c	22/71	14/57	sh
Helsinki	18/64	9/48	s	19/66	10/50	s
Istanbul	23/73	14/57	pc	21/70	12/53	pc
Kiev	15/59	4/39	pc	16/61	4/39	pc
Las Palmas	26/79	17/62	r	26/79	20/68	s
Lisbon	24/75	16/61	s	28/82	19/66	s
London	21/70	14/57	pc	21/70	14/57	r
Madrid	27/80	11/52	s	31/88	14/57	s
Malaga	29/84	15/59	pc	27/80	17/62	pc
Milan	28/82	17/62	c	29/84	14/57	c
Moscow	11/52	7/45	pc	12/53	4/39	c
Munich	25/77	14/57	pc	26/79	13/55	pc
Nice	26/79	21/70	c	26/79	21/70	pc
Oslo	20/68	12/53	c	22/71	14/57	pc
Paris	19/66	11/52	c	19/66	14/57	sh
Prague	27/80	16/61	s	28/82	10/50	c
Reykjavik	11/52	11/52	s	14/57	9/48	sh
Rome	29/84	18/64	s	29/84	19/66	pc
St. Petersburg	14/57	7/44	s	10/50	11/52	pc
Stockholm	21/70	15/59	sh	21/70	16/61	c
Strasbourg	27/80	17/62	c	26/79	14/57	r
Tallinn	17/62	8/46	c	19/66	11/52	c
Tbilisi	35/95	18/64	s	31/88	17/62	pc
Vienna	27/80	16/61	c	29/84	18/64	pc
Warsaw	23/73	13/55	pc	25/77	12/53	pc
Zurich	25/77	16/61	c	25/77	14/57	c

Middle East

Abu Dhabi	44/111	27/80	s	45/113	27/80	s
Beirut	31/88	18/64	pc	24/75	19/66	pc
Cairo	31/88	18/64	s	31/88	19/66	s
Dhahran	37/99	19/66	s	37/99	19/66	s
Jerusalem	31/88	17/62	s	24/75	13/55	s
Kuwait	38/100	16/61	s	39/102	17/62	s
Riyadh	42/107	25/77	s	42/107	26/79	s

North America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Anchorage	15/59	7/44	pc	16/61	8/46	pc
Atlanta	32/89	21/70	pc	30/86	18/64	t
Boston	27/80	19/66	pc	24/75	13/55	t
Chicago	27/80	12/53	t	19/66	10/50	r
Dallas	37/99	21/70	s	32/89	18/64	pc
Denver	24/75	14/57	t	28/82	12/53	t
Detroit	28/82	14/57	t	19/66	9/48	r
Honolulu	30/86	24/75	pc	32/89	23/73	pc
Houston	34/93	21/70	pc	32/89	21/70	pc
Los Angeles	30/86	18/64	s	31/88	17/62	pc
Miami	32/89	24/75	t	32/89	25/77	t
Minneapolis	20/68	9/48	pc	19/66	8/46	s
Montreal	23/73	17/62	c	19/66	5/41	r
Nassau	31/88	24/75	c	32/89	26/79	pc
New York	31/88	21/70	pc	26/79	14/57	t
Orlando	33/91	24/75	t	33/91	23/73	t
Phoenix	39/102	27/80	t	39/102	27/80	t
San Fran	23/73	14/57	pc	24/75	14/57	pc
Seattle	24/75	12/53	pc	23/73	13/55	sh
Toronto	26/79	14/57	t	17/62	7/45	r
Vancouver	19/66	10/50	sh	19/66	10/50	sh
Washington	32/89	21/70	pc	27/80	16/61	t

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Almaty	34/93	17/62	s	35/95	19/66	s
Bali	31/88	20/68	s	30/86	20/68	s
Bangkok	32/89	23/73	c	32/89	23/73	t
Beijing	29/84	18/64	s	31/88	19/66	s
Bombay	29/82	23/73	r	28/82	23/73	c
Calcutta	31/88	25/77	r	31/88	24/75	sh
Chiang Mai	28/82	24/75	r	29/82	23/73	r
Colombo	29/84	24/75	pc	29/82	24/75	sh
Hanoi	32/89	26/79	r	31/88	24/75	r
Ho Chi Minh	32/89	23/73	c	31/88	23/73	c
Hong Kong	31/88	26/79	pc	29/84	24/75	sh
Islamabad	39/102	26/79	s	39/102	26/79	s
Jakarta	32/89	22/71	s	30/86	23/73	pc
Karachi	33/91	23/73	s	32/89	24/75	s
K. Lumpur	32/89	23/73	sh	31/88	22/71	r
K. Kinabalu	31/88	23/73	c	31/88	23/73	sh
Manila	30/86	23/73	r	29/84	22/71	r
New Delhi	39/77	26/79	pc	35/95	26/79	pc
Phnom Penh	31/88	23/73	r	31/88	23/73	c
Phuket	32/89	23/73	c	32/89	23/73	r
Rangoon	28/82	23/73	r	28/82	22/71	r
Seoul	28/82	16/61	r	26/79	16/61	pc
Shanghai	32/89	25/77	t	27/80	24/75	t
Singapore	31/88	22/71	c	30/86	21/70	pc
Taipei	32/89	25/77	pc	32/89	25/77	pc
Tokyo	31/88	26/79	pc	31/88	26/79	pc
Vientiane	29/84	25/77	r	24/82	22/71	r

Africa

Algiers	32/89	18/61	pc	28/82	17/62	s
Cape Town	21/70	8/46	s	15/59	6/43	c
Casablanca	28/82	21/70	s	31/88	22/71	s
Harare	26/79	12/53	pc	26/79	13/55	pc
Lagos	29/82	22/71	c	28/82	23/73	sh
Nairobi	28/79	11/52	pc	27/80	11/52	pc
Tunis	33/91	22/71	s	31/88	19/66	t

Latin America

Buenos Aires	17/62	11/52	c	18/64	10/50	r
Caracas	30/86	23/73	pc	29/84	22/71	pc
Lima	21/70	16/61	pc	19/66	17/62	c
Mexico City	24/75	11/52	c	22/71	13/55	c
Rio de Janeiro	27/80	19/66	s	28/79	19/66	pc
Santiago	13/55	3/37	r	13/55	4/39	r

Oceania

Auckland	13/55	11/52	pc	17/62	9/48	pc
Sydney	22/71	12/53	r	20/68	12/53	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, fog, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Mexico Ruling Party Backs Down

By Julia Preston
New York Times Service

MEXICO CITY — Lawmakers from the government's party have made a major concession to the opposition, acting to avert a crisis that threatened to leave Mexico with two competing legislatures and a constitutional crisis just as it is testing real democracy for the first time.

Delegates from the Institutional Revolutionary Party backed away from a protest they had pledged to stage and recognized the legitimacy of an opposition-led ceremony Saturday to inaugurate a new Congress. They abandoned plans to hold their own inauguration of an alternate Congress with no opposition representatives.

The delegation of the Institutional Revolutionary Party boycotted a session Saturday where opposition legislators inaugurated the new Congress — the most pluralistic in Mexico's modern history —and elected its first leaders.

The feud brought turmoil to the outset of Mexico's passage from an authoritarian one-party system to a working democracy. In elections on July 6, the Institutional Revolutionary Party, which controls the presidency, lost its majority in the lower house of Congress for the first time in seven decades, to four opposition parties that have banded together in a coalition.

The controversy revealed deep differences between the party that dominated Mexico unchallenged for generations and a newly empowered opposition determined to demonstrate its weight and independence.

Mr. Zedillo called on the two sides Saturday to resolve their differences and said he would stay out of the dispute. The events left the impression that the government's party, long considered a rubber-stamp party subordinated to iron rule by the president, had momentarily acted outside of Mr. Zedillo's control.

Leaders of the feuding congressional factions negotiated into the night to find a solution to ensure that Mr. Zedillo would be able to deliver his traditional state of the union address as scheduled Monday.

Opposition lawmakers contended that the Institutional Revolutionary Party had refused to attend the session Saturday or to accept its results because it could not work in a legislature where it was not in complete control. The party has 239 seats in the new lower house, and the combined opposition has 261. The government's party continues to hold a majority in the Senate.

At the heart of dispute is a fight over the distribution of posts and benefits in the Congress. The government's party contends it was slighted in negotiations over the last two weeks with the opposition.

"This is a legislature that is just waking up from a 70-year sleep," said Santiago Creel Miranda, a newly elected member from the conservative National Action Party. He said many of the rules of the Congress were written on the assumption that the government's party would always dwarf other parties.

For years the Congress was run from a small committee, dominated by legislators of the government's party, which made every important decision about when and how laws were adopted. But the way the rules are written, without a majority for the government's party this committee cannot even be formed.

Legislators from the government's party were incensed when the opposition chose a flamboyant anti-government politician, Porfirio Munoz Ledo, to be the first leader of the Congress.

In a speech late Saturday in the Chamber of Deputies, Mr. Munoz Ledo informed the delegates of the government's party that they had 30 days to appear. "It is a fiction that there will be an alternate Chamber of Deputies," he said. "The members of the government's party will injure the nation and create an image of a crisis that doesn't exist."

POLITICAL NOTES

Senators Attempting To Unpack a Court

WASHINGTON — For more than a decade, a group of senators from the Northwest has been trying with little success to break up the 9th U.S. Circuit Court of Appeals, complaining that it was too large and, more important, was dominated by judges from California who issue liberal environmental rulings.

This summer, the lawmakers, all Republicans, managed to insert a little-noticed rider into an appropriations bill that would split the circuit. It passed the Senate days before the August recess. The House has approved a different measure, one that would authorize only a study of the issue, and it is likely to balk at the Senate's swifter approach.

Nonetheless, the Senate action is the high watermark of the effort to dismantle the 9th Circuit, which decides federal appeals from nine states in the West and two territories, which makes it by far the nation's largest appellate court.

The legislation is opposed by the White House, the majority of judges on the 9th Circuit, including the last three chief judges, the American Bar Association, the California Bar Association and Governor Pete Wilson of California. The reason this effort was successful in the Senate appears to be that the 9th Circuit recently aroused the ire of Senator Ted Stevens, Republican of Alaska and chairman of the Appropriations Committee. *(NYT)*

Hired and Fired

WASHINGTON — If all had gone according to plan, Joseph Holley would have gone to work Tuesday, writing speeches for Hillary Rodham Clinton for a salary of $90,000. The good news came last month in a phone call from Melanne Verveer, chief of staff for the first lady.

With a job offer in hand, Mr. Holley quickly set about moving his wife and family from Austin, Texas, to Washington, breaking one lease and signing another, quitting his part-time job as a journalism teacher, arranging new schools for his children.

The bad news came a week later. This time the call came from the White House counsel, Charles Ruff, who told Mr. Holley to forget about his move. The job offer was revoked. Mr. Holley said Mr. Ruff told him, after White House officials learned that Mr. Holley was the defendant seven years earlier in a sexual discrimination and harassment lawsuit.

Mr. Holley's then-employer, the San Diego Tribune, settled the case brought by a writer Mr. Holley once supervised with no admission of wrongdoing. He said that the woman's charges were "absurd" and "fiction" but that Mr. Ruff told him that the White House decision was final.

The result is that a decision that was designed to avert controversy is causing it nonetheless. Mr. Holley's friends, some well-connected in journalism and liberal politics, say the White House is setting a standard of guilt-by-accusation that President Bill Clinton — himself the subject of contested sexual harassment charges — could never clear. *(WP)*

Quote/Unquote

Alexis Herman, secretary of labor, noting that repairing the gap between rich and poor remains America's unfinished business: "These are indeed prosperous times, but still a quiet unease lurks that our nation will declare success before all Americans will have their chance to claim their fair share." *(AP)*

AMERICAN TOPICS

Pure Americana: Barns With Message

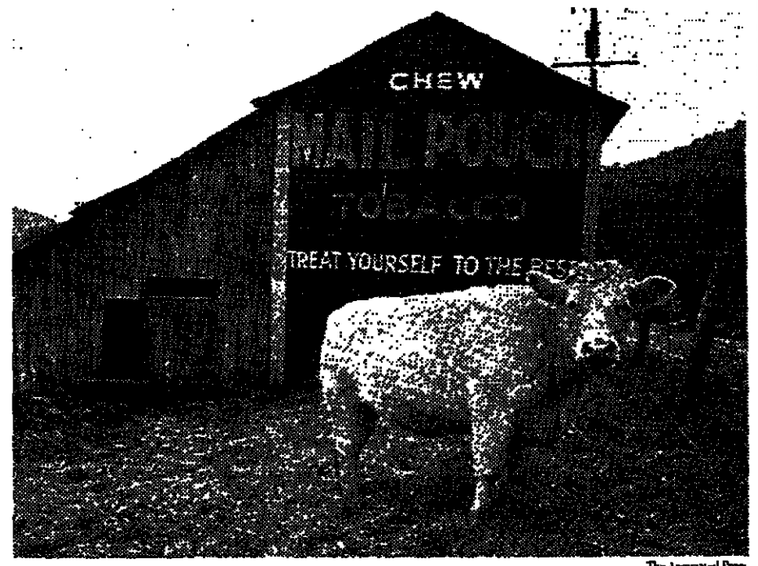
The message, for those who travel in rural America, is almost impossible to escape, borne in big block letters on thousands of red, black and yellow barns: "Chew Mail Pouch Tobacco; Treat Yourself to the Best." While chewing tobacco has fallen increasingly into disrepute, as its links to cancer have been publicized, the story of how these thousands of barns came to bear their picturesque roadside message is pure Americana.

In the late 19th century, the brothers Aaron and Samuel Bloch manufactured cigars in Wheeling, West Virginia. They discovered that by adding flavoring — mainly licorice — to cast-off cigar clippings, they had a salable commodity: "chewing tobacco."

The barn-painting campaign began in the 1890s. By the 1930s, four two-man painting teams were busy six days a week. "We'd knock out some two, three barns a day," a long-time painter, Harley Warrick, 72, told American History magazine. In 45 years, he painted more than 20,000 barns.

Although some farmers were wary of city-slicker tobacco company representatives in shirts and ties, paint crews sometimes did the negotiating themselves. Farmers received a small annual payment. Someone like Mr. Warrick, with his paint-smeared overalls and calloused hands, made them feel right at home. Even when a barn was not due for repainting, roving paint crews would drop by farms to chat and they learned who was good for a hearty meal.

In 1966, came trouble: The Highway Beautification Act banned such commercial signs near interstate highways. But fans of the barns lobbied Congress, which finally passed an exception for signs on farm structures or natural surfaces "of historic or artistic significance."



The Associated Press

A barn in Elkview, West Virginia, with one of the better-preserved ads.

Short Take

A rafting company in Colorado, looking for a faster way to get photos of its clients from the point where they shoot the Poudre River rapids to their arrival point downstream, came up with a decidedly low-tech solution: homing pigeons. Tony Costlow, a co-owner of Rocky Mountain Adventures, had decided that using digital cameras and modems was too expensive. Then, he hit on the idea of pigeons. Mr. Costlow designed special lightweight backpacks for his 16 birds. Each of them makes the half-hour flight two or three times a week. He has learned a few lessons: As with human workers, they sometimes loaf. "Every once in a while," Mr. Costlow said, "they'll hang out on the roof."

Brian Knowlton

Away From Politics

• **A U.S. fighter jet crashed off Japan** but the two crew members aboard ejected and were not seriously injured. The F-14 jet, assigned to the aircraft carrier Independence, crashed at sea about 225 kilometers (140 miles) east of Yokosuka while on a routine training mission, the navy said. *(AP)*

• **More than 76,000 marijuana plants** were seized in a mountainous area north of Boise, Idaho, in a series of raids by law-enforcement officers last month. The raids came on the eve of the fall marijuana harvest, and authorities estimated that the crop would have brought more than $26 million from consumers. *(NYT)*

• **The hunch of a Customs inspector** led to the arrest of the man suspected of stealing $22 million, the biggest holdup in U.S. history. Philip Johnson, 33, an armored car driver accused of stealing from his employer, Loomis, Fargo & Co., in March in Jacksonville, Florida, was arrested in Brownsville, Texas, near the border with Mexico. His arraignment on a federal charge of unlawful flight to avoid prosecution was scheduled for later this week. The money has not been recovered. *(AP)*

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East Asians Caution Japan on Taiwan's Role in U.S. Pact

By Michael Richardson
International Herald Tribune

SINGAPORE — As Prime Minister Ryutaro Hashimoto of Japan prepares for a sensitive visit to China this week, other countries in East Asia have told Tokyo that they are deeply concerned by moves to have the strengthened U.S.-Japan alliance cover Taiwan.

Southeast Asian countries and South Korea fear that if the scope of the alliance specifically included Taiwan, it could provoke China into outright opposition to the U.S.-Japan security treaty and the basing of U.S. forces in Japan and South Korea.

Officials said that ambassadors from members of ASEAN, the Association of South East Asian Nations, expressed their concern at a meeting in Tokyo on Wednesday with policymakers of the governing Liberal Democratic Party and the two political parties that support it.

That meeting was followed by talks in Tokyo on Friday in which Singapore's prime minister, Goh Chok Tong, cautioned Mr. Hashimoto that it would be unwise for new military cooperation guidelines under the U.S.-Japan alliance to refer to a specific geographical area, a Singaporean official said.

Japan's chief government spokesman, Seiroku Kajiyama, prompted a furious reaction from China when he said recently that the new defense guidelines, due to be made final soon, would require Japan to provide logistical and other noncombatant support to U.S. forces in any emergency in the Taiwan Strait as well as on the Korean Peninsula.

On a visit to Southeast Asia, Premier Li Peng of China said that the Japanese plan was "utterly unacceptable." Beijing regards Taiwan as a rebel province.

Mr. Hashimoto will arrive in China on Thursday for a four-day visit with hopes that a speech he made in Tokyo on Thursday, in which he said that Japan would abide by its 1972 statement recognizing Taiwan as part of China, will pacify Beijing.

But he also stressed his hope that a peaceful resolution could be found to the issue of Taiwan, which Beijing has repeatedly threatened to invade if the island abandons its stated goal of eventual reunification with the mainland and declares independence or if an outside power supports independence.

The formula used by Mr. Hashimoto is similar to one used by the United States to justify its readiness to protect Taiwan, a neighbor and former colony of Japan, against a Chinese attack.

"As there is one China, I don't want to interfere with it," Mr. Kajiyama said. "But we have strong anxieties over a possible military liberation of Taiwan by mainland China."

Despite Mr. Kajiyama's remarks, Tokyo's official position remains that it will not specify the geographical limits of the new guidelines governing military cooperation with the United States, a Japanese diplomat was quoted by Reuters as having said in Beijing.

Japan and China have differed on Taiwan ever since they restored diplomatic relations in 1972, with Japan unwilling to accept fully Beijing's oft-repeated position that the mainland's ties with Taiwan are an internal affair.

Mr. Hashimoto has little diplomatic room for maneuver on either Taiwan or the revised guidelines, but Beijing is likely to accept Japanese attempts to focus on other issues, the Japanese diplomat added.

However, Yuan Ming, director of the Institute of International Relations at Peking University, said that for China the "core issue" about the U.S.-Japan security treaty was Japan's role in support of U.S. forces in the event of a conflict in the region.

"More specifically, the Chinese are watching closely whether any such Japanese role would extend to the Taiwan Strait," he wrote in an article for a monthly publication of the Institute of Southeast Asian Studies that was made available during the weekend. "Such a development would definitely increase the suspicions of China and cast a heavy shadow on U.S.-China relations."

Mr. Yuan said that partly because of moves to strengthen the U.S.-Japan alliance and include Taiwan within its scope, some quarters in China suspected that the United States was trying to contain China.

If the alliance was enlarged in this way, he warned, it would strengthen that view and "no Chinese leader would then be able to take a moderate stand toward the U.S."

Analysts noted that ASEAN countries and South Korea followed a "one-China" policy that recognized Taiwan as part of China.

They said that ASEAN states and South Korea did not want to be put in a position where they were forced to take sides in a dispute over Taiwan.

"We think that the Korean Peninsula should be regarded as the main focus of the new guidelines," said a South Korean Foreign Ministry official in Seoul.

"ASEAN countries do not want to have to make a choice between good relations with China and preserving the U.S.-Japan alliance, which is an important factor for regional stability," said Lee Lai To, chairman of the Singapore Institute of International Affairs.

"We can have both provided Japan is not seen to be using the alliance to broaden the scope and the areas it covers to include Taiwan."

BRIEFLY

Ramos Requests Church Support

MANILA — President Fidel Ramos, given a cool reception by priests and nuns at a public function here, urged the Roman Catholic Church on Monday to cast aside its "emotionalism" and support his economic reform agenda.

About 500 protesters led by priests and nuns staged a demonstration to demand that Mr. Ramos leave the constitution alone amid moves by his political allies to press for changes to enable him to stay in office after 1998.

"The church and other pillars of the society must closely work together in the spirit of solidarity by binding the nation's wounds," Mr. Ramos said in a speech at the launching of a Catholic radio station here. *(AFP)*

Taiwan's Leader Vows Peace Effort

TAIPEI — President Lee Teng-hui pledged Monday to help maintain regional stability and renewed his wish to make a peace journey to China.

He also urged countries in the area to shelve sovereignty disputes over the Spratlys archipelago to reduce tensions in the South China Sea.

"Peace and stability over the Taiwan Strait affects security and prosperity in the whole Asia and Pacific region, and we have striven to lower tension by calling for peaceful cross-strait negotiations," Mr. Lee told the Asia-Pacific Security Forum.

Prime Minister Vincent Siew also said Monday that Taiwan authorities were ready to reopen talks with Beijing whenever China decided to resume the top-level talks it suspended in mid-1995. *(AFP)*

North Korea Reels From Tidal Wave

BEIJING — A typhoon-fueled tidal wave that smashed dikes and flooded fields in North Korea has dealt a heavy blow to farmers struggling to avert famine, Red Cross officials said Monday.

The wave struck North Korea's western coast early on Aug. 21, destroying an estimated 700,000 tons of corn and leaving 28,000 people homeless, said Erik Petersen of the International Federation of Red Cross and Red Crescent Societies. *(Reuters)*

For the Record

Thousands of U.S. sailors began shore leave Monday in Hong Kong from the Constellation, the first aircraft carrier to visit the territory since it was returned to Chinese rule on July 1. *(AFP)*

Sihanouk, 'Not Dead Yet,' Seeks Peace for Cambodia

Ailing King Is 'Not Completely Pessimistic'

By Seth Mydans
New York Times Service

SIEM REAP, Cambodia — He is old, he is sick and he is discouraged as he sees his country torn apart by what he called a new civil war. Once again, King Norodom Sihanouk is ruling by his wits, trying to find the balance between powerful forces that threaten Cambodia.

"I have to always swim between hot and cold water," he said — a small, frail man of 74 who still has not given up. "So I must be a fish like that."

In the 1960s he maneuvered deftly among the great powers, keeping Cambodia, as he said Sunday, "an island of peace" in the Indochina war. Now he is maneuvering between his own country's leaders, who have turned Cambodia into "an island of war."

"I am not dead yet, hah?" he said, addressing reporters in the courtyard of his villa in this provincial town. "I apologize for still being alive. I present my apologies to you."

King Sihanouk, a constitutional monarch with little formal power, returned to Cambodia on Friday after a six-month absence during which his country's fragile democracy disintegrated in infighting. It collapsed July 6 in a coup.

Although the royalist forces of Prince Norodom Ranariddh, the king's son, were driven from the capital, Phnom Penh, in the coup led by Hun Sen, a *small group of holdouts continues to* fight Mr. Hun Sen's army in the jungles less than 60 miles (100 kilometers) north of the capital.

The king is offering himself, if the contending forces will have him, as a mediator between Mr. Hun Sen and the opposition represented by the prince. But King Sihanouk has lived among powerful and ambitious men all his life, and he has few illusions.

"If the ones who have power in their hands do not listen to me, I cannot achieve anything useful," he said. "I have very good relations with Mr. Hun Sen, but he has his own ideas. I propose and he decides.

"I am not completely pessimistic. I am pessimistic, but not 100 percent. I hope it is still possible to get back democracy."

But the king himself has his own source of power, as he demonstrated early this morning: He is still revered — in his own words — as a "god-king" by large numbers of Cambodians.

In the same tree-shaded courtyard where he later addressed reporters, King Sihanouk received 124 poor farmers who had traveled here from their village four days ago hoping to catch a glimpse of him.

"Before we die, we have to see the king," said Yem Khom, a 52-year-old widow who, like the other villagers, had borrowed from friends and relatives to pay $10 for the 10-hour minibus ride here from Kompong Thom.

She nearly fainted as she approached the king, who embraced the bowing villagers in armfuls of two and three and five as they filed into his courtyard. The villagers gripped the arms and shoulders of the king and his wife, Monineath (who has also gone by the name Monique), and mopped their eyes with scarves.

"They just want to see us, to meet us, to meet the queen and me," King Sihanouk said. "I am very moved because they love us and love each other as always."

The king, who has been in Beijing for treatment of cancer, a stroke and other ailments, said he would stay here for three months, in the shadow of the great *temples of Angkor Wat, built hundreds* of years ago by his ancestors. From time to time, he said, he would travel, incognito, to the temples "to pay my respect to the statues."

But his main mission here, he said, is one last attempt to bring peace to a country that has been devastated by war and genocide for nearly 30 years, despite the king's sometimes frantic efforts to swim between the hot and cold waters.

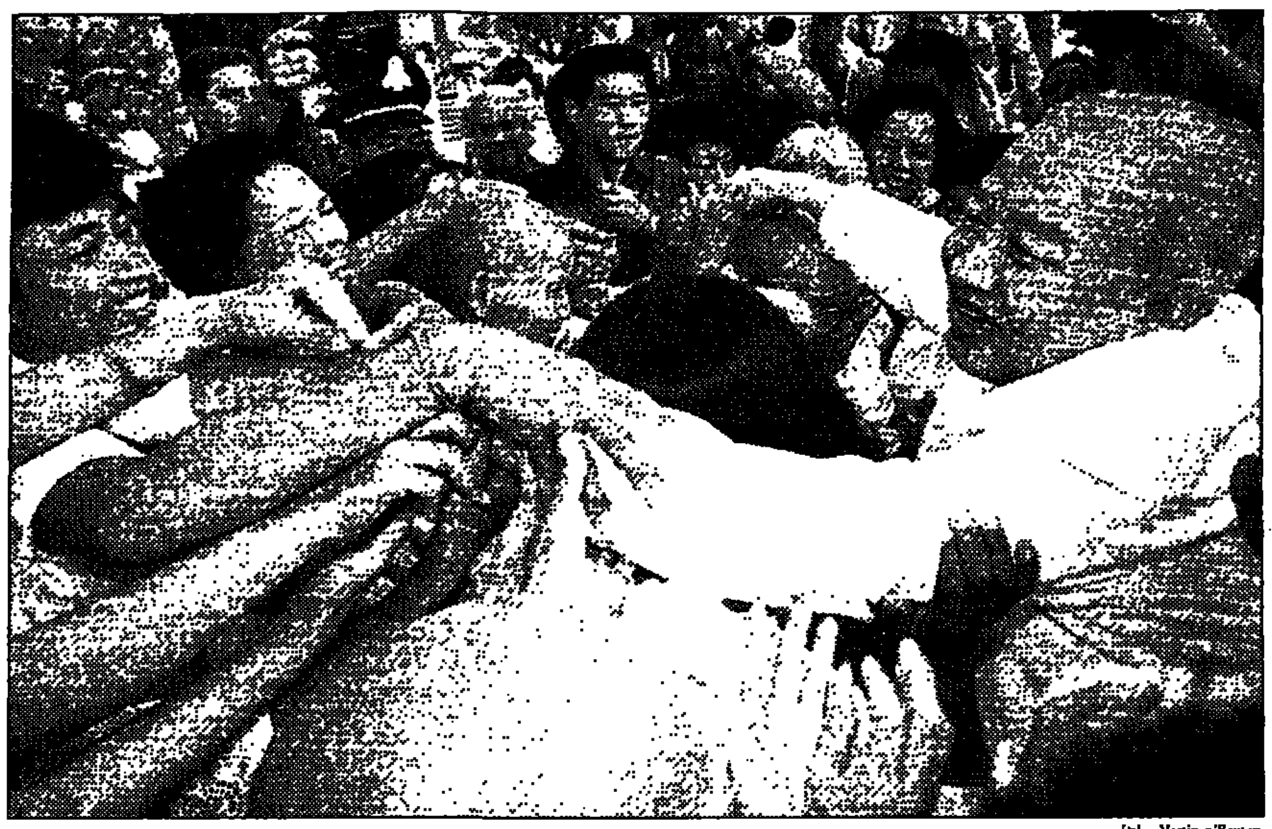
He proposed that Mr. Hun Sen and representatives of Prince Ranariddh — who is now in exile in Thailand — come to his villa here to seek a peaceful resolution to their conflict.

"I want to return to the status quo ante," the king said, "with genuine respect for human rights, genuine freedom of the press, peace and democracy."

Yet, despite the veneration of the villagers from Kompong Thom, the king has learned through difficult experience the reality of the limit of his power.

"They continue to believe that I am a god-king, like the kings of Angkor," he said, as he took leave of the reporters gathered under the trees. "But I could not have stopped the fighting. Unfortunately I am not a god. I am a human being."

He disappeared, waving, through the lace-curtained doors of his villa as two white lap dogs with bows in their hair jumped happily about his legs.



Dylan Martinez/Reuters

King Sihanouk being mobbed by admirers before a service at a Buddhist temple Monday in Siem Reap.

Amnesty Urged for 2 Jailed Korean Presidents

Compiled by Our Staff From Dispatches

SEOUL — Two rival candidates for the South Korean presidency recommended Monday that an amnesty be granted to two former presidents — Chun Doo Hwan and Roh Tae Woo — who were imprisoned in 1995 for mutiny, treason and corruption.

Lee Hoi Chang, who is running as the governing New Korea Party candidate in elections set for December, suggested that Mr. Chun and Mr. Roh be released before *Chusok*, the three-day harvest-moon holiday starting Sept. 15.

"Lee's proposal was officially made Monday and endorsed by senior NKP members," a spokesman of the party said. He added that Mr. Lee wanted the former presidents to "spend the holidays with their families."

The New Korea Party candidate promised to discuss the proposed amnesty with President Kim Young Sam during a weekly meeting on Thursday, the spokesman said.

Cho Soon, a popular former mayor of Seoul who joined the presidential race last month, also declared his support for an amnesty, but he denounced Mr. Lee's suggestion as a "political gambit."

Alluding to the case of President Richard Nixon in the Watergate scandal, he noted that the U.S. president was not jailed in the affair, although he did resign.

Mr. Lee's proposal was seen as a bid to gain support of old ruling-party forces and voters in the hometowns of the jailed presidents at a time his popularity has been sliding behind the top opposition candidate, Kim Dae Jung, of the National Congress for New Politics.

Buoyed by his own growing popularity, the National Congress for New Politics candidate suggested last week that Mr. Chun and Mr. Roh could be pardoned before President Kim steps down in February.

"I believe President Kim Young Sam should grant a special amnesty to them in order to achieve national harmony," the candidate told a weekly magazine. *(AFP, Reuters)*

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EUROPE

Karadzic Allies Stone NATO Force at Transmitter

The Associated Press

BANJA LUKA, Bosnia-Herzegovina — Supporters of Radovan Karadzic stoned NATO troops Monday at a TV transmitter secured after backers of the war-crimes suspect broadcast calls for violence against foreign organizations, officials said.

Troops had taken control of the Udrigovo transmitter on Mount Majevica to prevent rival Serbian factions from fighting for its control, said Major Chris Riley, a spokesman for the NATO-led peace force.

The takeover occurred Thursday, NATO sources said. Shortly afterward, 27 armed men believed to be loyal to Mr. Karadzic showed up, and NATO troops disarmed them, confiscating 25 unauthorized long-barreled weapons. The NATO troops then sent the men away, the sources said.

An unarmed group that appeared later and was thought to be loyal to Mr. Karadzic's rival, President Biljana Plavsic, also was turned back, NATO officials said.

The transmitter was the site of renewed tensions Monday. Major Peter Clarke, another NATO spokesman, said about 100 people had gathered there and some of them had thrown stones at peacekeepers.

A United Nations official, who spoke on condition of anonymity, said the demonstrators were being bused in. That suggested orchestration similar to anti-NATO violence last week, when participants also arrived in buses.

The UN official said Bosnian Serb police had been asked to intervene but had not yet responded.

■ Serb Distrust of NATO

Chris Hedges of The New York Times reported from Gornja Omarska, Bosnia-Herzegovina:

Vlada Stevanic, bare-chested and wearing a faded pair of shorts, walked slowly through his cow pasture until he stood in front of a gaping hole in the ground.

"There," the Bosnian Serb farmer said, as if the huge pit could be missed: "We were all in bed when the missile landed, blowing out the windows in our house. It was like an earthquake. Now NATO says it has come here to help us. But none of us trust NATO. How can we trust anyone who tried killed us?"

The Tomahawk cruise-missile strike, which took place in September 1995 and killed one of Mr. Stevanic's goats, was part of the two-week bombing campaign by NATO forces to end the Bosnian Serbs' siege of Sarajevo.

NATO warplanes blasted military installations and gun emplacements throughout Serb-held Bosnia, severely crippling the Bosnian Serb military and laying the foundation for the Dayton peace agreement.

The missile strike on Mr. Stevanic's farm, about three kilometers (two miles) off target, was part of an attack on a television transmitter on Mount Kozara, in northwestern Bosnia, as well as the nearby military barracks. The transmitter and the barracks were demolished.

The transmitter was replaced about seven months later. The barracks remain a tangled shell of brick, cement and undergrowth.

The new transmitter, controlled by supporters of Mr. Karadzic, the former Bosnian Serb president who continues to hold de facto power from his stronghold in Pale, is one of the installations that backers of his rival and nominal successor, Mrs. Plavsic, hope to seize.

The role of NATO in the UN peacekeeping force during the 1992-95 war in Bosnia as well as the devastating 1995 NATO bombing campaign have left many Serbs deeply skeptical about the Western alliance's loyalties and intentions. And Serbian propaganda, even before the current power struggle between Mrs. Plavsic and the hardliners in Pale, repeatedly warned that NATO was against the Serbs and could not be trusted.

The effort by NATO troops to displace Karadzic loyalists from police stations and media outlets in western Bosnia and replace them with people who back Mrs. Plavsic has played on these perceptions and fears. Such prejudices were best illustrated in Brcko, where mobs attacked U.S. troops with rocks and gasoline bombs Thursday when the troops ousted Karadzic supporters from the police station and turned the building over to police officers backing Mrs. Plavsic.

"There is a feeling among most Serbs that foreigners should not be here telling us how to live our lives," said Milivoj Stevanic, 37, who lives in the small farmhouse next door. "I take my horses up the mountain and pass the NATO soldiers. I always wave and say hello, but I don't like them. I wish they would leave."

While many in the village said they were disgusted by the corruption of senior Bosnian Serb officials, this did not translate into support for Mrs. Plavsic.

"No one likes these politicians in Pale," said a farmer down the road, who would not give his name. "We know they are all getting rich. But this does not mean we will support Plavsic selling us out to the West."

In Norway, a Quest For a Land-Mine Ban

Compiled by Our Staff From Dispatches

OSLO — Delegates from more than 100 countries opened a conference Monday that they hope will lead to a ban on anti-personnel land mines.

"This conference," said the Norwegian foreign minister, Bjoern Tore Godal, "offers a historic chance to reach an accord which will allow for the significant reduction in the suffering caused by these weapons."

Some 110 million anti-personnel mines are believed to be scattered around the world, mostly in developing countries.

Anti-personnel mines kill or maim about 26,000 people a year — one person every 20 minutes. According to Norwegian estimates, 80 percent of those maimed or killed are civilians, and most are women and children.

Backers of a land-mine ban are hoping to draft a treaty at the Oslo conference that bans the production, sale or use of such mines.

Diana, Princess of Wales, was honored with a moment of silence by the delegates. The princess, who died in a Paris car crash Sunday, was the most prominent proponent of a global ban on the mines.

"Her tragic death has made a deep impression on all of us," the Norwegian foreign minister said.

China, one of the world's biggest producers of land mines, is not represented at the conference, which aims to draft a treaty for a total and immediate ban on anti-personnel mines, to be signed in Ottawa in December.

The conference is part of the so-called "Ottawa process," an initiative by Canada to encourage countries to voluntarily undertake to renounce the production, sale, stocking, transport and use of the weapons.

Apart from China, the main producers are Italy, Russia and the United States.

Britain, France, Germany, Sweden and Switzerland also manufacture the weapons, as do Chile, India, Pakistan and South Africa.

The talks, scheduled to last until Sept. 19, continue a process that led to an anti-land mine declaration signed by 98 nations in Brussels in June. Three more countries — the United States, Australia and Poland — have since joined the process.

Agence France-Presse

The Norwegian foreign finister, Bjoern Tore Godal, opening the Oslo conference on land mines Monday with a moment's silence for Diana, Princess of Wales, who pressed for a ban on them.

Objections from the U.S. and Finnish governments could make it difficult to reach the goal of a total ban, however.

The United States wants self-destroying "smart mines," which destroy themselves after a pre-set period, to be excluded from the negotiations. The United States also is likely to call for exceptions, such as on the Korean Peninsula, where the border separating communist North Korea and capitalist South Korea is heavily mined.

And Finland says land mines are an integral part of its defense on the 790-mile border it shares with Russia.

Last month, Diana visited Bosnia-Herzegovina, where millions of land mines still litter the countryside more than a year and a half after the war ended.

The princess openly wept after meeting young victims of the weapons.

The United Nations, secretary-general, Kofi Annan, was to address the land mine conference on Wednesday. *(AFP, AP)*

BRIEFLY

Bonn to Return Loot to Russia

MOSCOW — Germany will return what is believed to be pieces of Russia's famed Amber Room, looted during World War II, President Roman Herzog of Germany said Monday, in a potentially far-reaching goodwill gesture.

"If it's established that they're genuine, we have no doubt that they belong to Russia," Mr. Herzog said after talks in the Kremlin with President Boris Yeltsin.

Mr. Yeltsin said: "The experts haven't yet finished checking the identity of the mosaic, which supposedly came from the Amber Room."

"As soon as it's finished, there will be an adequate decision," he said.

Mr. Yeltsin also said that Russian-German relations had the "highest priority of all other priorities."

The fragments, discovered in May, are believed to be part of the Amber Room panels, removed from the palace of Catherine the Great outside St. Petersburg and seized by German troops in 1941. *(AFP)*

$35 Million Swiss Postal Heist

ZURICH — A gang of gunmen got away with 53 million Swiss francs ($35.8 million) in neatly packaged cash after robbing a post office Monday in the banking district of central Zurich, the police said.

They said the five men drove off with crates of cash that had been awaiting delivery to the nearby Swiss National Bank as a deposit for a customer.

No one was injured in the robbery.

The gunmen entered a courtyard of the post office through security gates in a van disguised as a repair vehicle of the state postal and telecommunications agency. They escaped in the same van, leaving behind more crates of cash because they had no more room in the vehicle, the police said. *(Reuters)*

Mir Space Walk Tentatively Set

MOSCOW — A space walk to find holes in the damaged Russian space station Mir tentatively has been set for Saturday, and the crew is checking space suits and making other preparations, officials said Monday.

A spokesman for Russian Mission Control, Valeri Lyndin, said a final decision on the date would be made after exercises Tuesday with the space suits.

The Russian commander of Mir, Anatoli Solovyov, and the U.S. astronaut aboard Mir, Michael Foale, are expected to inspect the outside of Mir's Spektr module, damaged in a collision with a cargo craft in June, and patch any holes they find. Several space walks may be needed to repair the damage.

The National Aeronautics and Space Administration has not yet given formal permission for Mr. Foale to take the space walk. But Russian space officials are proceeding as if he will participate. *(AP)*

Blast in Bulgarian Mine Kills 5

SOFIA— Five miners were killed and scores were trapped Monday by a methane gas explosion at the Bobov Dol coal mine in Bulgaria, the government said.

Rescue workers were working to reach those buried under tons of earth, and Prime Minister Ivan Kostov and the interior and social affairs ministers went to the scene, 70 kilometers (45 miles) west of Sofia. *(Reuters)*

INTERNATIONAL

Israel Eases Palestinian Entry Ban

By Joel Greenberg
New York Times Service

Fayez Nureldine/Agence France-Presse

An employee distributing Israeli work permits Monday to residents of Jabalia refugee camp in the Gaza Strip.

JERUSALEM — Israel eased a ban on the entry of Palestinian laborers Monday, taking a first modest step to loosen a tight border closure imposed on the West Bank and Gaza Strip in the aftermath of a double suicide bombing in Jerusalem in July.

The gesture came about a week before a visit here by Madeleine Albright, the U.S. secretary of state, to help revive faltering peace efforts. American officials have criticized Israeli economic sanctions imposed after the bombing, especially a suspension of tax and customs transfers to the Palestinian Authority.

Israeli officials discounted speculation that the move Monday was linked to Mrs. Albright's visit, asserting that they were guided solely by security considerations, as well as by a concern that worsening economic hardship was increasing support among Palestinians for violence against Israel.

"It is not true that we are lifting the closure," Prime Minister Benjamin Netanyahu told Israel Radio. "We are easing it gradually to the limit set by our security assessments, which are examined daily."

An Israeli Army statement said that 4,000 workers who are married and over 35 years old would be allowed back to work in Israel, half from the Gaza Strip and half from the West Bank. Most suicide bombers involved in attacks in Israel over the past two years have been single and younger than 35.

The number of renewed entry permits was small, although Israeli officials said it could grow over time if security conditions permitted.

Before the closure, imposed after the July 30 bombing that killed 15 people and the two attackers in a Jerusalem market, more than 50,000 Palestinian workers were allowed into Israel, mostly for construction jobs and other manual labor. At least 30,000 more worked in Israel illegally, circumventing checkpoints to get to jobs.

During the month of border closings, the loss of income by workers, coupled with the Israeli freeze of tax and customs transfers to the Palestinian Authority, have crippled the Palestinian economy. The World Bank estimated last week that Palestinian losses could reach $4 million to $6 million a day.

Israeli officials have defended the closure as a security measure intended to prevent the entry of potential bombers, although hundreds of Palestinians go around Israeli checkpoints every day, using dirt roads and paths to get to jobs.

The army said it would allow 2,000 more Palestinian businessmen aged over 30 to enter Israel, bringing the total of such permits to 4,000, as well as 250 West Bank teachers who work in East Jerusalem and 200 employees of the authority who needed to move between the Gaza Strip and the West Bank.

But the suspension of tax and customs transfers remains in force, and the money owed by Israel to the authority has now reached $65 million, according to the International Monetary Fund.

The transfers make up more than 60 percent of the revenues of the Palestinian Authority, and it has borrowed heavily from local banks to pay salaries of its 81,000 employees, including 36,000 police officers.

BRIEFLY

Armenian Soldier Slain as Vote Opens

STEPANAKERT, Azerbaijan — An Armenian soldier was shot and killed, adding to the tension surrounding the presidential election Monday in Nagorno-Karabakh, the disputed Armenian enclave inside Azerbaijan.

Azerbaijan, which lost a six-year war with Armenia for control of the enclave, has called the voting invalid. Russia also has criticized the election, scheduled after the enclave's president, Robert Kocharian, was named prime minister of Armenia in March.

Shortly after the polls opened Monday, the Armenian soldier was killed by a sniper near Agdam, a town that runs along the border manned by Azerbaijani and Armenian troops *(AP)*

Israel Plays Down Spy Trial in Egypt

JERUSALEM — Prime Minister Benjamin Netanyahu said Monday that the rocky Israeli-Egyptian relations would survive the spying conviction of an Israeli Arab in an Egyptian court.

The verdict Sunday caused outrage in Israel and put a further strain on the relations with Egypt. Mr. Netanyahu said the defendant, Azam Azam, was innocent and called the verdict of 15 years in prison "twisted." Mr. Netanyahu said he phoned Egyptian President Hosni Mubarak and asked that Mr. Azam be pardoned.

However, Mr. Netanyahu said relations with Egypt were not in serious trouble.

"The relations between Egypt and Israel are not at an all-time-low," Mr. Netanyahu told Israel radio in response to a question. *(AP)*

Lissouba Foe Calls For Disobedience

BRAZZAVILLE, Congo Republic — President Pascal Lissouba's chief rival denounced him as a "monster and a mass murderer" as his term expired with no elections in sight.

General Denis Sassou-Nguesso, a militia leader and ex-president who has been battling for power with Mr. Lissouba since June 5, spoke Sunday on his private radio to mark the expiration of Mr. Lissouba's five-year term. To pressure him to yield power, he said civilians should begin a campaign of disobedience, something hard to measure in a city wrecked by war and made lawless by three months of factional fighting. *(AP)*

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Death of a Princess / *'We Feel That We've Lost a Family Member'*

London in Mourning: 'All the Sad Faces'

A Heaviness Seems to Fill the City's Air As Crowds Line Up to Pay Condolences

By Sarah Lyall
New York Times Service

LONDON — Life in Britain's capital went on as usual Monday, at least in the sense that people went to work, subways and buses ran more or less on time, and stores — even Harrods, which is owned by the father of Dodi al Fayed, the man killed alongside Diana, Princess of Wales — opened for business. But nothing really seemed the same.

Most of the signs were obvious. Flags flew at half-staff. Men arrived at work in sober suits and black mourning ties. In the royal hubs of the city — Buckingham Palace, the home of Queen Elizabeth II; Kensington Palace, where Diana lived, and St. James's Palace, where her body is lying in a coffin in the royal chapel — endless crowds of grieving people carrying flowers, cards and candles clogged the streets.

As the reality of Diana's death sank in, a heaviness seemed to fill the air. James Moore, who runs a flower stall in Westminster, felt it when he went to pick up the day's flowers at the market.

"When you see big, stroppy men up in the market so sad, all the salesman and porters holding their heads low, you realize that there was something about Diana that touched everyone," said Mr. Moore, who sold out his flowers by 1 P.M. and was packing up to go home.

"I've been doing this for 35 years and I've never seen anything like it, all the sad faces."

Below Piccadilly, hundreds of people lined up along the Mall, the huge thoroughfare that connects Trafalgar Square to Buckingham Palace, waiting three or four hours for a moment's chance to sign a book of condolence inside St. James's Palace. There were men and women, young and old, retired people and people taking time off from work, and many said that the depth of their own sadness had actually startled them.

"I was really upset, and it surprised me," said Assunta Palenni, 28, a hairdresser way at the end of the line, who said that Diana's death had forced a re-evaluation of her life.

"She was always in the papers and you took it for granted that she would be there," Miss Palenni said. "There was good publicity and bad publicity, and you could make up your mind what you thought about her. But before now, I don't think I really realized how much good she did do."

As they tend to do after a death, most people put to one side any reservations they may have had about Diana's behavior or the choices she made in her life. Instead, they remembered only the positive things — her work with the poor and the sick, how much she loved her children and the way she made millions of Britons feel, in some ineffable way, that she was part of their lives.

"She lived in our newspapers; she lived with us every day," said Steve D'Avis, 45, a computer manager who was dropping off flowers at St. James's Palace. "She was like a member of the family and now we feel that we've lost a family member.

Deirdra Saffery, who works in a hospice in Stamford, Connecticut, and who is here on vacation, said that Diana's deliberate embraces of AIDS victims brought about nothing less than a complete change in the way society treats them.

"We have a lot of AIDS patients and what Diana did for them was wonderful," Ms. Saffery said. "They long for touch, for human contact, and before, everyone shunned them. But Diana dispelled the myth that you can get AIDS by touch."

And 70-year-old Angela Mierzynski, who volunteers at a homeless shelter in London, said that on several occasions, unannounced, Diana had slipped in to talk to the homeless people inside, twice bringing along her two sons.

"I had the pleasure of shaking hands with her," she said, smiling at the thought and saying that the outpouring of emotion could compare only to one other time in her memory, when Winston Churchill died in 1965.

"I queued for three hours to see Churchill in state, and I think Diana, rest her soul, should be lying in state, too," Mrs. Mierzynski said heatedly.

Her anger was trained on Britain's royal family for the way members treated Diana when she was alive and for the way, she said, they are exploiting her now that she is dead. She was not the only one to feel that way.

"I think they're a national embarrassment," said Don Blevin, a civil servant who was using his lunch hour, accompanied by his wife and their two young children, to drop a bouquet of sunflowers near St. James's Palace.

Pointing to a card bearing the message "To Diana: with respect from a republican," Mr. Blevin said he was coming around to the republican point of view himself.

"I think when the Queen Mother dies they lose all credibility," he said of the remaining members of the royal family. He looked down the Mall toward Buckingham Palace, which looms large and forbidding at one end.

"I reckon Di would be hopping mad," he said. "She's dead, but the family firm's still controlling everything."

Reuters

Dr. Frederic Maillez at the scene.

French Doctor Tells of Trying To Save Diana

Reuters

PARIS — "She was unconscious, moaning and gesturing in every direction," said a French doctor who was the first person to treat Diana, Princess of Wales, at the scene of her fatal car crash early Sunday.

Dr. Frederic Maillez told France-2 television on Monday that he drove by minutes after the accident, which occurred in a road tunnel in central Paris.

"I stopped my car and went to see," said Dr. Maillez, who appeared to be in his late 30s. "There were many people around and lots of panic.

"I saw that two people were dead and two were seriously hurt. I went back to my car to call emergency services and give them a first medical assessment before returning to the site with some of my equipment."

When he returned to the car, a man who turned out to be a volunteer fireman had started giving first aid to the front-seat passenger, Trevor Rees-Jones, a bodyguard and the only one of the four people in the car who survived.

"I therefore went to the aid of the young woman in the back who turned out to be Lady Diana," Dr. Maillez said. "I did not recognize her immediately.

"I helped to free her upper respiratory tracts," he continued, describing how Diana's head lay on her shoulder, "in a position in which you cannot breathe if you are unconscious.

"I therefore lifted her head and helped her breathe with an oxygen mask."

Diana died in a hospital more than three hours after the accident.

Her companion, Dodi al Fayed, and their chauffeur, Henri Paul, were killed. Mr. Rees-Jones was seriously injured, but doctors say his life is not in danger.

Dr. Maillez said there were many photographers at the scene.

"About 10 or 15 of them, and they were snapping away at the car nonstop, though one cannot say they hampered me or my work. They were just like the people you find milling around the site of serious accidents."

French media have said that the police are looking for other photographers who left the site before the police arrived, presumably to develop photos of the accident, which have been offered to publications for huge amounts.

Michel Spingler/The Associated Press

Parisians at the British Embassy Monday to sign the book of condolence.

The Associated Press

Prime Minister Ryutaro Hashimoto bowing Monday to a photograph of Diana at the British Embassy in Tokyo.

A Rich Playboy in Life, But a Footnote in Death

Now, Press Gives Dodi al Fayed Little Notice

Agence France-Presse

LONDON — *Dodi al Fayed had* grabbed the headlines of the British tabloids since the start of his romance with Diana, Princess of Wales, but his tragic death alongside her barely got a passing mention Monday.

The Egyptian-born businessman, in line with Muslim tradition, was buried within hours of his death in a quiet family ceremony in London on Sunday while the British press concentrated on the arrangements for Diana's funeral next weekend.

Mr. al Fayed, the son of Mohamed al Fayed, who owns Harrods department store, was buried at the Brooklands cemetery near Guildford, southwest of London, less than 24 hours after the high-speed car crash in Paris that also killed the driver and seriously injured a bodyguard.

British television showed brief images Sunday of his coffin being transported to a central London mosque in Regent's Park, *and the tabloids, which* had gone into a frenzy this summer over his romance with Diana, treated the subject discreetly, more occupied at heaping praise on the princess they had so criticized and hounded the week before.

Several tabloids, which printed pictures of Diana and Dodi together, did mention that the princess seemed to have found happiness with the 41-year-old millionaire.

The Daily Mirror pointed out in a short article that Mr. al Fayed's prophecy of never having a girlfriend after Diana had proved tragically true.

The Daily Mail published a photo of Mr. al Fayed in polo attire with a caption: "His team beat Prince Charles'."

But although Dodi — who like his father was repeatedly denied British citizenship despite his family's business empire in Britain — was not embraced by the British *establishment*, he was accepted by many others, as attested by the number of people and tourists who paid tribute to him in messages scrawled in a book of condolences at Harrods.

One message read: "To a man who brought *happiness to Diana.*"

Mr. al Fayed, who paraded his romantic conquests on yachts and in palaces, was the epitome of a playboy. But it was his involvement with the most photographed woman in the world that propelled him to the headlines five weeks ago.

Real or supposed affairs in Dodi's past included the actress Brooke Shields, Koo Stark, who was Prince Andrew's onetime companion, and a host of models and show-business personalities. He was married once, to the model Suzanne Gregard, in 1987 for eight months.

News Media Turn to Soul-Searching

By Howard Kurtz
Washington Post Service

WASHINGTON — Last May, Maria Shriver, who is President John F. Kennedy's niece, and Arnold Schwarzenegger, the actor, were briefly trapped in their Mercedes when two Fleet Street photographers in separate cars forced them off the road outside Los Angeles.

The photographers, Giles Harrison and Andrew O'Brien, were trying to get exclusive shots of the pregnant Miss Shriver as she and her husband were taking their son to school. The photographers were charged with misdemeanors, and Mr. O'Brien with battery for shoving the school's principal.

The incident barely caused a ripple. Paparazzi, after all, routinely and relentlessly pursue famous figures in search of pictures that can be marketed to the highest bidder.

But what was once widely considered international sport, or a mere hazard of fame, seemed to turn chillingly dangerous Sunday in Paris with the high-speed car crash that killed Princess Diana and her friend Dodi al Fayed as their driver, reportedly under the influence of alcohol, raced to elude several paparazzi on motorcycles.

"This is ugly," said Steve Coz, editor of the supermarket tabloid National Enquirer, who admits that he often buys celebrity photographs without knowing how they were obtained. "It's getting crazy. It's changed from just observation to hunting people."

Nearly everyone in the global media food chain has feasted on the fruits of these celebrity stalkers, creating a lucrative market for their shots of the powerful at play. While the British tabloids and American supermarket papers spend hundreds of thousands of dollars for such pictures — often taken from blacked-out vans or planes or boats — the images are often recycled in the mainstream papers, magazines, wire services and TV shows.

Thus the establishment press can titillate readers and viewers while disdaining the tawdry tactics involved.

"In every profession there are people who go too far, who stretch notions of ethics and decency to the limit and beyond," said David Lutman, president of the National Press Photographers Association in Washington. "It's had a dramatic effect on our image. The marketplace has pushed some aspects of photography in the direction of pursuit journalism. Somebody's purchasing this stuff.

"All of us ought to be thinking, was this necessary?" he said. "High-speed chases are clearly a deplorable extreme."

In this environment, almost anyone can suddenly become the figure in the viewfinder. Local camera crews, for example, stake out the homes of parents whose children have just been killed, hoping to capture the raw emotion.

At a time when polls show dwindling public confidence in journalists, the death of the 36-year-old Princess of Wales could become one of those seminal events that convince millions that the media are out of control. The ongoing clash between those who wave the banner of freedom of the press and those who want to protect their private lives is perhaps the most visible element.

Diana's brother, Charles, the 9th Earl Spencer, said Sunday that he always knew the press would kill her, and his comment suddenly seems less than hyperbolic. This was a woman who frequently complained she could not go to an exercise class — or, in one case, to her therapist — without a half-dozen shutterbugs snapping away.

Lord Spencer had his own run-ins with one of South Africa's leading paparazzi, Fanie Jason, who once got inside the Spencer home by posing as a worker in overalls, his camera stashed in his lunchbox. Mr. Jason, who revealed the earl's relationship with a new girlfriend, was ordered by a court to stay at least 10 meters away from Lord Spencer, and some of his camera equipment and furniture were seized.

In the process, Mr. Jason became something of a celebrity himself; Britain's Guardian newspaper described him as "one of South Africa's new breed of big game hunter."

Russell Turiak, a photographer in New York, photographed the wedding of the actors Don Johnson and Melanie Griffith in Aspen, Colorado, from a helicopter, and earned six figures for his shots of John F. Kennedy Jr. and Carolyn Bessette honeymooning in Turkey.

"My feeling is that I am the messenger," Mr. Turiak said. "What are you going to do here — kill the messenger? People buy the pictures. This fan-addict mentality, the hunger for the information — isn't the public then responsible?" He added, "The easiest person to blame is the guy out there taking the pictures." Besides, he said, "I have a mortgage."

Before Diana, the world's most photographed woman was probably Jacqueline Onassis. In 1975, Mrs. Onassis obtained a court order requiring the photographer Ron Gallela to stay at least 25 feet (eight meters) from her and 30 feet from her children.

Such legal tangles were rare before the birth of tabloid television shows in the mid-'80s. But as television greatly increased the market for such pictures, and the demand for ever-more exposure of ever-more celebrities, the stars have been fighting back.

Last year, the actor George Clooney organized a boycott against the Paramount Pictures television after one of its programs, "Hard Copy," violated an agreement not to do stories about him. Joined by Madonna (whom "Hard Copy" filmed with her baby through the windows of her home), Whoopi Goldberg, Steven Spielberg and others, the group said they would no longer cooperate with Paramount TV shows such as "Entertainment Tonight."

Paramount eventually agreed not to air celebrity video obtained surreptitiously or through harassment.

While some have sought legal remedies, the actor Alec Baldwin took matters into his own hands. Mr. Baldwin accosted the photographer Alan Zanger and shoved his camera into his face after he tried to take pictures of Mr. Baldwin's wife, the actress Kim Basinger, as she brought their newborn home from a hospital in 1995. Mr. Baldwin was acquitted of misdemeanor battery; Mr. Zanger filed a $1 million lawsuit against him.

Some paparazzi regard such confrontations almost as a badge of honor. Mr. Turiak boasts that he was assaulted by Burt Reynolds after taking pictures of the actor and his then-girlfriend, Loni Anderson.

"I was walking away and he punched me in the back of the head," Mr. Turiak said. "That actually brought me quite a bit of notoriety."

Mr. Coz says he is bidding against People magazine (which has run 43 Diana covers over the years) for the last pictures of the princess before the crash.

"There's this tremendous obsession in the public for celebrity information," he said. "Everyone has dipped into celebrity coverage, from the big networks to Time and Newsweek. It's money — celebrities sell."

Mr. Coz said he would not buy any of the crash-scene photos, which he said were being offered for $1 million, as a way of protesting the methods of what he called the "stalkerazzi."

The actor Tom Cruise says he has been followed by paparazzi in the same Paris tunnel where Diana was killed. "You don't know what it's like being chased by them," he told Reuters. "It is harassment under the guise of, you know, 'We are the press, we are entitled.' And when people are having a private moment, they should be allowed to have a private moment."

PARIS: *Tested for Alcohol*

Continued from Page 1

expires, it is planned to request the beginning of legal proceedings," the statement said.

"The charges to be filed cannot be definitively established until the investigation in process has been completed."

Prosecutors said they had not yet been able to question the surviving bodyguard, identified as Trevor Rees-Jones by the Pitie Salpetriere hospital where Diana was pronounced dead. He was still in intensive care Monday.

The heads of several photo agencies in Paris said Monday that photographers working on contract with them were among those arrested, and protested that they were wrongly being held responsible for causing the crash.

Goksin Siphaioglu, director of Sipa Press, which has 140 photographers under contract, said that one of them was Nikola Arsov, a 38-year-old Macedonian photographer who he said had simply walked into the tunnel after he heard on police radio that there had been an accident there.

"He was at the Ritz with a lot of other photographers waiting for Diana to come out after dinner, but they left by the back entrance and he didn't try to follow them," Mr. Siphaioglu said. "He took his camera when he heard about the accident."

Christian Martinez, another photographer, had been on assignment for the Angeli photo agency, according to the company's lawyer, Gilbert Collard. "The police came to various agency offices looking for shots taken just after the tragedy," he said. "We don't know exactly what happened, but apparently the driver was going at an excessive rate of speed."

Bruno Klein, director of Stills, an agency he described as specializing in "people and showbiz shots," said that a photographer associated with it for 13 years was among those under arrest, but Mr. Klein declined to give his name.

"He's a classic photographer who does soirees, the Cannes film festival, and covered the Pope on his visit here last month," Mr. Klein said. "He was simply doing his job. Holding the photographers responsible when the cause was clearly excessive speed is absurd."

Gamma Press Agency, one of the world's most prestigious, said that one of its photographers and a motorcycle driver working with him had been arrested, but did not give their names. "I take full responsibility," said Stephane Husain, the chief editor.

"If Lady Diana was in Paris, and especially with Dodi, after all that had happened, one could not ignore her presence."

But, here as in Britain, there were numerous calls for a tightening of already-tough French privacy laws to inhibit "paparazzi" photographers from hounding celebrities.

Catherine Trautmann, the culture minister and spokesman for the government of Prime Minister Lionel Jospin, urged on French television Monday a "good conduct code" for the press to avoid future tragedies like the one Sunday.

MEDIA: *Paparazzi Blame Editors and Readers for Excesses*

Continued from Page 1

limits. And they are clearly overstepped when reporting turns into a state of siege."

Still, with seven photographers detained for questioning by French police after they chased the car carrying Diana and her companion, Dodi al Fayed, who also died in the accident, photographers as well as editors of gossip and photo magazines were clearly on the defensive.

"We've been declared the assassins," said Fred Eric Garcia, a French photographer who until this weekend was willing to describe himself as a paparazzo. "If Lady Di had stopped in front of a restaurant, everyone would have been happy to buy the pictures and would have forgotten that the car was going at 150 miles per hour."

The spotlight of blame may in fact turn away from the photographers after the Paris prosecutor announced this afternoon that the driver of the Mercedes that crashed in a tunnel beside the Seine early Sunday had an "illegal" level of alcohol in his bloodstream.

Yet it may still be difficult for the photography profession to shake off the perception that paparazzi somehow harassed Princess Diana to her death.

A few photographers still concentrate on what they call "serious" journalism, such as wars, natural disasters, social problems and political events, but they often struggle to make ends meet.

"You can't get anyone to put up the money and you're happy to get expenses," said Thomas Haley, an American photojournalist. "You risk your life, you get back and then you can't even give the pictures away."

Thus, when a paparazzo strikes lucky, as when the Italian photographer Mario Brenna took photos of Diana embracing Mr. al Fayed in a boat off Sardinia in July, he can earn $1 million.

Of course, if magazines like Paris-Match in France, Gente in Italy and Bunte in Germany or tabloids like the Sun and Daily Mirror in Britain are willing to pay such sums, the presumption is that they can sell more copies. And they do.

At least one of these Paris-based agencies was reportedly offering color photographs of the crashed Mercedes, with Princess Diana covered in blood and Mr. al Fayed dead.

Stephen Coz, editor of the National Enquirer, the sensationalist American tabloid, said he had been offered exclusive United States rights to the pictures for $250,000. He said he had turned down the offer and urged other publications to do the same.

"Don't blame the press," Britain's Sun said Monday, aware that public fury was being fed not only by the angry reactions of Princess Diana's brother, Earl Spencer, and Mr. al Fayed's family, but also by a number of movie stars and celebrities, like Tom Cruise, Sylvester Stallone and Luciano Pavarotti.

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FUNERAL: *At Wes*

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seven photog... whether they co... tunnel along the S... to the aid of the V... ernment called for ... sures to protect celeb... ing lenses of the p... Britain's foreign ... Cook, who appealed ... possible government ... tect privacy, said M... mediate burden ...

Scots Home Rule Vote Won't Be Postponed

LONDON — ... ited home ru... place as planned ... halt to campaign... Diana, Princess ... Office said Tuesday.

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LASER: *Military Rea...*

Continued from Page ...

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Iran Reports Ex...

TEHRAN — ... Iranian man, ... United States, the ... agency, IRNA, ...

It said Sayyed B... Evin prison on ... charges of spying ... America."

Mr Bayani left ... States about 19... asylum but returned ... ago to gather inform... Intelligence Agency, IRNA ... Iran announced Mr. Ba... June 1996 and ... air force colonel ...

Yeltsin, in a Surprise, Says He'll Step Aside When His Term Ends

MOSCOW (AP) — ... Yeltsin announced ... aside when ... clearing the ... already judging ... Mr. Yeltsin ... problems and the R... appeared to ... Russian leader Bo... ident caught many ... announced his plans ... Moscow school ... first day of the ...

"My term ends ... anymore," Mr. Y... teacher at School ...

Mr Yeltsin, who ... gery last year and ... this year, returned ... months ago. He appears ... and no one questions ... out the final three years of ...

His family reportedly ... move for Mr. Yeltsin ... because of his health and age ...

With Mr Yeltsin ... problems, the ... look a heavy physical ... day he could not ... scheduled polling station. ... later that he had suffered ... attack during the campaign.

FUNERAL: *At Westminster Abbey*

Continued from Page 1

seven photographers to determine whether they contributed to the crash in a tunnel along the Seine or failed to come to the aid of the victims, while the government called for international measures to protect celebrities from the prying lenses of the paparazzi.

Britain's foreign secretary, Robin Cook, who appeared to hint Sunday at possible government measures to protect privacy, said Monday that the immediate burden was on the press to examine itself. "I think that they have to consider their recent behavior and to what extent that may have made a contribution, and we will watch with care and with attention what answers they give before we consider what it might be appropriate for us to say," he said during a visit to Singapore.

Elsewhere, there was little sign that initial public outrage over the intrusions of photographers had altered media habits.

British newspapers, broadsheets and tabloids alike published greatly expanded editions and special color supplements on Diana's life and death.

A columnist, Simon Jenkins, wrote in The Times that the voracious appetite for news and pictures of the rich and famous was "a global narcotic beyond the ability of any one country to police."

However the political debate over privacy develops, Monday was clearly a day for Britons to share their personal sense of loss at Diana's death.

Flags flew at half-staff across the country, as they will until the funeral.

Prime Minister Tony Blair canceled his official engagements for the day in a sign of respect; traders on the usually frantic floor of the London International Financial Futures Exchange observed a minute's silence at the market's opening, and children throughout the country paused to commemorate the princess at assemblies opening the new school year.

"She was the kindest person I ever knew," said Rebecca Valentine, 71, after signing one of the black-leather condolence books in St. James's Palace.

"Although I never met her, I knew everything about her. I loved her."

Scots' Home Rule Vote Won't Be Postponed

Agence France-Presse

LONDON — A referendum on limited home rule for Scotland will take place as planned Sept. 11, despite the halt to campaigning since the death of Diana, Princess of Wales, the Scottish Office said Tuesday.

Political commentators had raised the possibility that the referendum, and another in Wales, could be postponed because of the mourning being observed until Diana's funeral on Saturday.

In the referendum, Scots will decide whether their country, governed from London as part of the United Kingdom, comprising England, Wales, Scotland and Northern Ireland, should have its own parliament and whether such a parliament should have limited tax-raising powers.

A similar referendum on establishing a regional parliament with more restricted powers will be held in Wales on Sept. 18.

LASER: *Military Wants to Target Satellite*

Continued from Page 1

Sands Missile Range in southern New Mexico. In the past, the army has fired its beam of concentrated light at missiles on the ground and at speeding drones and rockets in flight, blowing them up.

Like all chemical lasers, Miracl gets its energy by burning fuels similar to those in rocket engines. Much energy is lost as heat, but large amounts are extracted by mirrors and resonant chambers and emerge as a concentrated beam of light.

The beam is about six feet (two meters) wide. It usually destroys its targets by subjecting them to intense heat.

Over the years, Miracl has been improved so that its beam is steady enough to track and hit satellites orbiting hundreds of miles overhead in space. But uncertainties remain, such as the degree to which atmospheric turmoil created by the hot beam would weaken its punch.

The target is the Miniature Sensor Technology Integration satellite, MSTI-3. The satellite, about the size of a refrigerator and weighing 450 pounds (200 kilograms), has telescopes and cameras for observing hot rockets as well as the cool Earth.

Launched in May 1996 into an orbit of 260 miles (420 kilometers), the satellite has exceeded its planned lifetime of one year and is scheduled to be switched off in the near future.

One aim of the test is to better understand the vulnerabilities to laser attack of American satellites, especially ones engaged in spying.

A longtime worry of military planners and arms controllers alike is that firing Miracl at a satellite could open a Pandora's box of global reactions in which other nations developed their laser weapons, in turn threatening American spacecraft.

Military experts say serious damage could be done by lasers less powerful and complex than Miracl.

"Our most valuable satellites tend to be our most vulnerable," said an expert on anti-satellite arms at a federal weapons laboratory, who approves of the Miracl test and who spoke on the condition of anonymity.

But the recent proliferation of spy satellites, he said, has created "a lot more pressure to deny people the use of space for gathering information."

He added, "We're building up to do that, other people are building up to do that, and over the next few decades it's going to be a big issue."

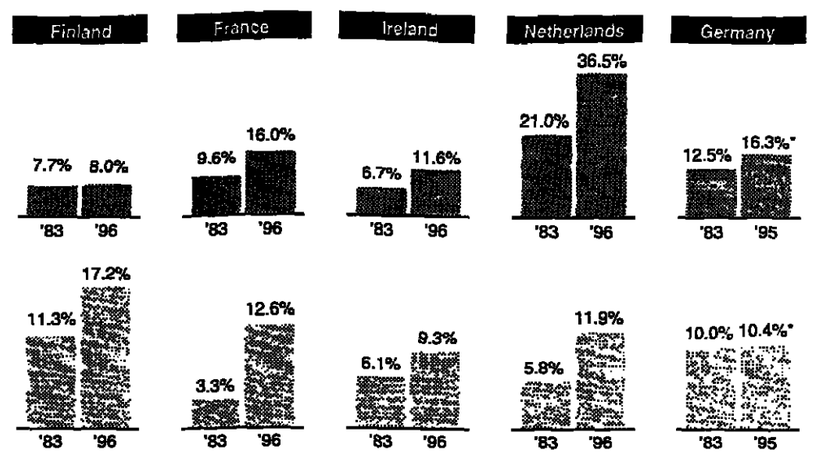
Arms controllers say the growing complexity of the situation calls for a global ban on anti-satellite testing.

"Shooting a satellite is shooting ourselves in the foot," said John Pike, the director of space policy for the Federation of American Scientists, a private group in Washington that opposes anti-satellite arms.

The satellite's maker — Spectrum Astro of Gilbert, Arizona — opposes having Miracl fire its beam at the $60 million craft. Stan Dubyn, the company's chief operating officer, said "They shouldn't use a spacecraft that is healthy and has several years of life ahead of it."

More Temporary and Part-Time Workers in Europe

The number of part-time and temporary employees is on the rise in many European countries, although comparisons of temporary workers between the countries are difficult because the definitions vary.



*1995 data is the most recent available.

Sources: Eurostat (European temporary figures); Organization for Economic Cooperation and Development (part-time figures)

The New York Times

LABOR: *Europe Takes the Part-Time and Temporary Route*

Continued from Page 1

most impossible to lay off workers when business slumps.

Temporary workers typically receive benefits and pay comparable to those of full-time workers, but they do not have the job security. Part-time workers tend to be paid less and receive fewer benefits.

"We have to accept the fact that this is the by-product of inflexibility," said Jean-Pierre Rodier, chairman of Pechiney SA, an aluminum and packaging company that went through a painful restructuring several years ago and now uses temporary workers for about 5 percent of its jobs. "We need a reasonable amount of flexibility."

John Chait, executive vice president in charge of international operations for Manpower Inc., the temporary staffing company, said: "The perception is that Europe is changing very slowly. But the market is changing faster than the laws are. Things are changing faster on the street than most people realize. It is true in France. It is true in Spain. It is true in Italy." But the solution has also led to a two-tier economy in many countries: older workers who effectively have lifetime jobs, and younger workers who trek to new jobs at least once a year, whether they like it or not.

About 11 percent of all jobs in France, and more than 33 percent of those in Spain, are now filled by temporary workers, according to data compiled by the Organization for Economic Cooperation and Development, a research institute in Paris. Although statistical comparisons are dangerous, because countries define temporary work differently, the U.S. government estimates that 2.2 percent of American workers are in temporary jobs.

In other parts of Europe, companies have greatly increased their use of part-time workers. The undisputed leader is the Netherlands. The government and Dutch unions have actively encouraged part-time work — with benefits comparable to those of full-time workers — and the proportion has skyrocketed from 21 percent in 1983 to 37 percent in 1996.

To the envy of neighbors like Germany, where unemployment is at near-record levels, the Netherlands now boasts one of the lowest jobless rates in Europe, about 6.5 percent. Government officials say the rise of part-time work is only one of many reasons for the success, but the contrast is nevertheless stark.

Part-timers also make up more than one-fifth of the work force in Norway, Sweden, Switzerland and Denmark.

Europe's entrenched system of rigid work rules is cracking in other ways. In Germany, where government regulations heavily discourage temporary workers, companies are filling hundreds of thousands of jobs with people listed as self-employed contractors.

Artur Niessen, 32, a truck driver in Frankfurt, has been working for a beverage company under three separate temporary contracts. The company now wants to convert all its drivers into independent contractors and persuade them to buy their trucks.

'We have to accept that this is the by-product of inflexibility.'

But the company will not guarantee the drivers a fixed volume of work, and Mr. Niessen is worried about being saddled with a truck he cannot afford.

A study last year by the Nuremberg Institute for Labor Market Research concluded that 430,000 German workers who were officially self-employed were actually company employees without the standard social benefits or job guarantees.

Many temporary and part-time workers say they prefer their jobs to full-time permanent positions.

"What I want to do is work for several companies, so I can learn about several fields," said Pedro Rodriguez, 27, an electrical engineer in Madrid who has worked under a series of temporary contracts at a company that makes air-conditioning equipment. Still, temporary workers became so numerous in Spain over the last several years that unions waged a major campaign to rein in their use.

Spain, which once had some of the toughest job-security laws in Europe, relaxed its rules three years ago to let companies hire apprentices for as long as several years. By 1996, virtually all new jobs in Spain were temporary, according to the Organization for Economic Cooperation and Development. More than one-third of all workers were temporary.

Last spring, unions and employers hammered out an agreement that requires companies to keep apprentices for at least two years. In exchange, the agreement makes it easier for employers to justify layoffs of full-time workers in court and reduces the size of mandatory severance payments.

Union officials say the agreement, which was also codified into law, tripled the number of long-term contracts given to workers in July.

"Very strong, very interesting," remarked Antonio Gonzales, lead negotiator for the General Workers Union.

But John Martin, a labor economist at the OECD, said the only solution to the jobless crisis in many European countries was to begin loosening the entire structure of workplace regulations.

While some countries have made it easier to hire temporary workers, the preservation of rigid job protection laws for those with permanent jobs heightens the pressure on those who have lost their jobs or are just finishing school and looking for their first jobs.

"What the changes have done is to give a certain amount of flexibility to employers while maintaining a high degree of job protection for those who have permanent jobs," Mr. Martin said. "That kind of two-tier solution may be satisfactory from the point of view of the protected employees and from the point of view of the employers, but it does not improve the chances for unemployed people to find stable employment."

U.K. Official Bars Burma From Meeting, Citing Drugs

Compiled by Our Staff From Dispatches

SINGAPORE — The British foreign secretary, Robin Cook, condemned the Burmese government Monday, saying that it profited from the drug trade and that it would not be admitted to a meeting of European and Asian government leaders next year.

Mr. Cook said at a meeting of business leaders in Singapore that Europe's recent decision to deny visas to senior Burmese officials made their inclusion at the Asia-Europe Meeting in London in April impossible.

In response to Mr. Cook's remarks, Burma assailed Britain as "the world's No. 1 culprit" for narcotics.

A senior military official said that the drug problem Burma is "encountering today is the direct result of Britain's colonial strategy 150 years ago."

"Whether Mr. Cook is ignorant of the fact or deliberately trying to cover up the most irresponsible and unforgivable criminal act Britain committed by forcefully introducing opium into Asia is anybody's guess," the official added.

Burma was a British colony from the mid-19th century until independence in 1948.

The opium trade provided major revenues for Britain from many of its territories in Asia.

The Asia-Europe Meeting is a forum linking the 15 members of the European Union with Japan, China, South Korea and some members of the Association of South East Asian Nations.

ASEAN admitted Burma to its ranks this year, despite strong Western criticism of Rangoon's record on human rights and the flourishing drug trade in the country.

"There is a common European position across all European countries not to grant visas to ministers from Burma, which will make it impossible for us to consider the inclusion of Burma in the ASEAN process next year," Mr. Cook said at the end of a four-nation tour of Southeast Asia.

"Burma is the largest single world producer of opium, and it has achieved that infamous position precisely because it is a government that does not act against the drug barons," he said.

"It is not only a deeply repressive regime, but it is also a deeply irresponsible regime in that it is one of the few governments in the world whose members are prepared to profit out of the drugs trade rather than to seek to suppress the drugs trade," he added.

Mr. Cook said at a news conference before leaving for home that Britain could bar Burma from the gathering because it was not a bloc-to-bloc meeting but a voluntary dialogue between nations.

(Reuters, AFP)

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Iran Reports Executing Alleged Spy for U.S.

Reuters

TEHRAN — Iran has executed an Iranian man, saying he spied for the United States, the official Iranian press agency, IRNA, said Monday.

It said Siavash Bayani was hanged in Evin prison outside Tehran last week on charges of spying for the "Great Satan, America."

Mr. Bayani left Iran for the United States about 1984 and sought political asylum but returned about three years ago to gather information for the Central Intelligence Agency, IRNA said.

Iran announced Mr. Bayani's arrest in June 1996 and said then that he was an air force colonel. It did not say if he was retired or on active duty. IRNA quoted a statement by a military court in Tehran as saying Mr. Bayani had relayed military intelligence to the CIA.

It said he had confessed to "disgraceful activities" and had received $1,000 to $1,500 for each contact.

The press agency said Mr. Bayani had been arrested shortly after returning to Iran by the Iranian Army's intelligence division.

He was convicted of spying in early 1995 and later sentenced to death, the press agency said.

Iran last year passed a law imposing the death sentence for espionage in a variety of areas not covered by earlier legislation, such as giving information to foreigners on the country's social conditions.

The law singled out agents working for Iran's arch enemies, the United States and Israel.

Relations between Tehran and Washington have been tense since militant Iranian students stormed the U.S. Embassy in 1979 and held 52 Americans hostage for 444 days.

The United States severed diplomatic ties with Iran in 1980.

Tehran often accuses Washington, which has imposed sanctions against the Islamic republic, of attempting to destroy its government.

Yeltsin, in a Surprise, Says He'll Step Aside When His Term Ends

MOSCOW (AP) — President Boris Yeltsin announced Monday he would step aside when his term expired in 2000, clearing the way for a pack of candidates already jockeying to succeed him.

Mr. Yeltsin's age, his recent health problems and the Russian Constitution all appeared to rule out another term for the Russian leader. But the 66-year-old president caught many by surprise when he announced his planned retirement at a Moscow school where he spoke on the first day of the academic year.

"My term ends in 2000. I will not run anymore," Mr. Yeltsin told children and teachers at School Number 1,253.

Mr. Yeltsin, who underwent heart surgery last year and had pneumonia early this year, returned to full-time duty several months ago. He appears in good health and no one questions his intention to serve out the final three years of his term.

His family reportedly opposed any move for Mr. Yeltsin to seek a third term because of his health and age.

With Mr. Yeltsin's long history of heart problems, the 1996 election campaign took a heavy physical toll, and by election day he could not even make it to his scheduled polling station. Doctors said later that he had suffered a mild heart attack during the campaign.

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Herald INTERNATIONAL Tribune

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Why Diana Mattered

A Gift of Empathy

The sudden, brutal death of Diana, Princess of Wales, at the young age of 36, preempted and quickly engulfed all other news and all other subjects Saturday night. This was true not just in Britain and the rest of Western Europe and the United States, but all around the world. There was much more to this response, we think, which included a torrent of expressions of grief and offerings of flowers and other tokens of condolence, than the usual, age-old human fascination with horrible accidents and unexpected reversals of fortune, especially as they befall the powerful and exalted. And the predictable media extravagance and exploitation didn't explain it all either.

The young woman who died in a Paris hospital at the end of the summer of 1997 had been, from the day almost two decades ago when she entered the public's consciousness as the wife-to-be of the heir to the British throne, the central figure in a gripping and continuously unfolding drama. It was part "fairy tale" and romance, as no one ever tired of saying, but in larger part, we think, contemporary morality play as well — and nothing if not searingly up to date.

Diana, as one commentator observed Saturday night, grew into an identifiable human being in the course of her miserable marriage and its aftermath, as distinct from the innocent, happy, almost fictional abstraction she had seemed to be at the beginning of the public's fascination with her. Behind all the luxury and glamour and high style, she seemed to be dealing in the 1997 way with the familiar personal issues that so many others face.

She was breathtakingly unconventional by traditional standards of propriety and role-modelship. At the same time, she was deeply engaged in good works and proved it by taking real personal risks in the pursuit of her different causes. She was insistent that her children gain an unroyal appreciation of something approximating normal life. And she was famous for her ability to connect naturally and empathetically with others who lived far outside the beautiful-people universe she inhabited.

It was her insistence on trying to add this dimension to her royal life — and succeeding in doing so — that distinguished her, we think, and won her a wide following.

The conduct of the "paparazzi" was said to have been particularly reckless on Saturday night, and the alleged response of one, reported to have moved in at once for priceless photos of the kill, rather than trying to help, takes the breath away — although there are precedents for it in the mainstream press on dramatic occasions in the past.

But the hounding, harassing role of these ruthless junkies, who supply the tabloids, the rest of the media and the public with the photos that they — we — all simultaneously seem to crave and denounce is a separate question for another day.

— THE WASHINGTON POST.

Identity of Her Own

The cruelly short life of the Princess of Wales bore the markings of fate from the moment she entered the public stage. Her marriage to Prince Charles in 1981 brought pageantry, triumph and renewal to the monarchy. Soon, however, the fairy tale succumbed to human frailty. After a bitter divorce, Diana, like Charles, carried out a highly publicized quest for privacy, cultivating some of the very images she complained had become her prison.

Diana lived in a remote universe of glamour and fashion, but her death is a shock because she made a genuine emotional connection with those outside her world. She did so by dint of her mesmerizing beauty and her intense personal struggles.

Fascination with the British royal family dates at least from the time of Shakespeare and extends to the House of Windsor's troubles for much of this century. Diana's death has a certain quality of tragedy, with the appalling denouement of a car crash after being chased through Paris by paparazzi. But it was not a tragedy in the classical sense. Diana was not a traditional stateswoman or historical figure. Her arena was entirely one of images and gestures. With evident compassion, she embraced many good causes, from AIDS to the Bosnian refugees to the scourge of land mines. But the work she did in these areas, however helpful, was to publicize the work of others.

For many, the great sadness of Diana's death will forever be mixed with bitterness over the circumstances. There is no question that her brother, Earl Spencer, hit a deep vein of public opinion when he spoke of the blood on the hands of journalists who pursued her for profit until the very end. This could well be one of those galvanizing events in which the forces of public pressure finally brings some sense of proportion to tabloid journalism.

Of course, there is not likely to be any regulatory approach to the abuses of the paparazzi and their outlets that does not compromise the essence of an open society. But this moment could also provide a chance for the serious mainstream press to sharpen the line between themselves and the sensationalists.

The world will now be plunged into a new series of dramas unfolding in Britain. As the royal family takes up the rituals of mourning and transition, Prince Charles may well be able to seize the occasion for some healing, however awkward it might be, of the acrimony that visited all sides of the family after the collapse of his marriage.

The spotlight will now turn also to his young sons, William and Harry, for whom so much sympathy has been poured forth. The people of Britain have had their hearts broken, and now they must turn again to the task of adjusting their monarchy to modern pressures.

The young image of Diana has now been sadly frozen in time. As a girl, she was given scant education or training appropriate to the fame that waited her. But she possessed what Lord Jeffrey Archer, the author and politician, said on Sunday was a "strange God-given gift" to touch people, a gift that might well have increased in the years ahead. In finding her own way, she lived a life of self-indulgence, vulnerability and a certain determination to build an identity of her own, a determination that the public could admire. A nation and indeed a world that had grown older with her has now been robbed of the chance to keep doing so.

— THE NEW YORK TIMES.

Other Comment

Tourists Look for Soul

The travel writer Arthur Frommer says: "Among cities with no particular recreational appeal, those that have preserved their past continue to enjoy tourism. Those that haven't receive almost no tourism at all. Tourism simply doesn't go to a city that has lost its soul."

How can a community attract tourists without losing its soul? First, the community's leaders must recognize that the place itself, not the trappings around it, is the reason most tourists come for a visit. Second, they must understand that sustaining tourism requires a long-term strategy.

The economic development expert Don Rypkema says: "Nobody goes anywhere to go down a waterslide or buy a T-shirt. They may do both these things, but that isn't the reason they went there." Any place can create a tourist attraction, but it is those places that are attractions in and of themselves that people most want to visit.

Cities that have obliterated their past attract hardly any visitors at all, except for the highly competitive and notoriously fickle convention business.

Focus on the authentic. Make every effort to preserve the authentic aspects of local heritage and culture, including handicrafts, art, music, language, architecture, landscape, traditions and history. The true story of an area is worth telling even if it is painful.

Recognize that tourism has limits. Too many cars, boats, tour buses, condominiums or people can overwhelm a community and harm fragile resources. Tourism development that exceeds the capacity of the ecosystem or fails to respect a community's sense of place will result in resentment and the eventual destruction of the very attributes that tourists come to enjoy.

— Edward T. McMahon, commenting in The Washington Post.

Herald INTERNATIONAL Tribune

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ABC

Vulnerable Princess With a True Commitment

By Anthony Lewis

NEW YORK — Speaking some years ago to a charity for children, Diana said children nowadays were less likely to experience the early death of parents but more likely to suffer the trauma of divorce or other family troubles. So, "We must help them to face life as stable and confident adults."

Stability and confidence — nothing could have been further from the reality of her own life. Her mother went off *with another man when she was 6,* abandoning the family. During her stressful marriage to the Prince of Wales she had a severe eating disorder, bulimia, and reportedly attempted suicide several times.

Her vulnerability was part of what made her so appealing to the British public. She came from a long line of landed aristocrats, but she did not come across as a member of the aristocracy. This past Sunday, people said, "She was one of us."

There was an opposite side, and of course that had its appeal, too: the glamour, the jet-set life, the look. It had the drawback of frivolousness.

"She was so glamorous," an intellectual American woman said, "but despite that she got to you. There was the jet-set side, empty-headed; but then I think she was genuinely moved by suffering, perhaps because of her own experience. She had a side of her that really did respond to casualties, to victims. There was a true commitment."

That was the Diana who hugged AIDS victims *when it took courage to* overcome prejudice. And it was the one who, in recent years, campaigned against land mines, meeting legless children in Bosnia and elsewhere.

Does it make a difference when a princess is photographed with the victims of disease or cruel weapons? I think it does. Diana called attention to important causes.

For one, she made it harder for the United States to continue opposing the movement for an international ban on land mines. Her death just might move President Bill Clinton to give up some of the remaining American reservations to the proposed anti-mine treaty.

She was a victim of the press. The British tabloids, the scummiest on earth, printed every bit of tittle-tattle they could connect to her.

The other day they had long-distance photographs of the princess supposedly kissing her latest boyfriend, Dodi Fayed; some said the pictures were doctored to move the two closer together than they really were.

The paparazzi pursued her everywhere, in the end to her death.

Their behavior was so dreadful that *you can understand why people outside* Kensington Palace shouted at reporters and photographers, "Haven't you done enough?" It would do no harm to the true interests of a free press if those who were after her in Paris were prosecuted, or if the paparazzi were chastened by other means.

Yet there was an ambiguity in Diana's relations with the press, too. She complained about the invasions of her privacy, but she confided in her favorite tabloid journalists, and invited their attention.

She made the decision to tell all to Andrew Morton about her unhappy married life, and he told the world in his 1992 book "Diana: Her True Story."

She married Prince Charles at 20, virtually uneducated, knowing nothing about the world or about herself. Underneath what we thought was a fairy tale, it was a marriage of two people with nothing to give each other.

She seemed always to find inappropriate lovers, like the cavalry officer who wrote a book about their affair. Then, at the end, there was the fatal association with Dodi al Fayed.

She was criticized in Britain when she took her two boys on a long Mediterranean visit this summer with his father, Mohammed al Fayed, the owner of Harrods.

But now there will be only sympathy, and myth.

"I didn't like her," an English friend of mine said, "but that doesn't come into it really." No, it doesn't. Even many who thought her sad or silly felt personal grief at her death. Mortality.

If I were given a wish now for that beleaguered royal family, it would be that Prince Charles be allowed to find his own way to peace. That can only be with Camilla Parker Bowles. It would not be a fairy tale, but Diana showed us the price of fairy tales.

The New York Times.

Celebrity Is Synthetic, Infantile and Sometimes Lethal

By George F. Will

WASHINGTON — One cause of the death of Diana was the modern form of fame, "the frenzy of renown." The frenzied — meaning people who are intoxicated by synthetic significance — are complicit in her death.

Death came when the Princess of Wales and her companion of recent weeks were in high-speed flight from photographers hell-bent on supplying the highly remunerative market for snapshots of her life.

Hers was a life somehow always rich in opportunities for photographs of the sort she deplored. Greta Garbo she was not. She had a great fondness for café society, which is not the milieu of the reclusive.

She died in, and to some extent because of, the vortex of publicity that surrounds — no, that *is* — the modern British monarchy, into which she fell by marriage at age 20.

Once upon a time, the justification for the monarchy was clear: It was God's will. No one now believes that, and few really believe the subsequent justification, which, unlike the first, was more or less true for a while. It was that the monarchy is a constitutional necessity.

The monarchy is a residue of the infancy of the British people. They still like it, and it is their right to retain it, rationality being broadly optional. But there is no evading the fact that an occupational hazard of royalty is infantilism, *now that royalty is shorn of serious* duties and exists primarily to do public relations for itself.

One manifestation of infantilism is a sense of entitlement to incompatible things. Diana felt entitled to be forever the social fiction that she became by marriage: royalty. In negotiations about her divorce she fought for, and bitterly resented the forced surrender of, the title "Her Royal Highness."

However, she also wanted the sort of privacy often claimed by the privileged, meaning publicity on her terms. She wanted to be listened to concerning various social causes (the latest being a ban on anti-personnel land mines).

But she had a hold on public attention only because she was a celebrity, as Daniel Boorstin has defined that term. That is, she was known for her well-knownness.

Thirty-six years ago, in his book "The Image," Mr. Boorstin argued that the graphic *revolution in journalism had* severed fame from greatness, which generally required a gestation period in which great deeds were performed. This severance hastened the decay of fame into mere notoriety, which is very plastic and very perishable.

The severance was apparent by 1905, when the narrator of Edith Wharton's "House of Mirth" spoke of living in "a world where conspicuousness passed for distinction, and the society column had become the roll of fame."

The noun "flack" pertaining to modern communications, was prefigured by a proper noun, George Flack, the journalist in Henry James's "The Reverberator" (1888), who thought of himself as a servant of democratic values:

"You ain't going to be able any longer to monopolize any fact of general interest ... it ain't going to be possible to keep out anywhere the light of the Press. Now what I'm going to do is set up the biggest lamp *yet made and make it shine* all over the place. We'll see who's private then ... and who'll frustrate the People, the people that wants to know. That's a sign of the American people that they do want to know."

All democracies want that. They want royalty of their own making, and unmaking. Democracy's leveling impulse is served by democracy's powerful, if fickle, machinery of elevation through publicity.

Diana died, in a sense, at the intersection of a premodern institution, royalty, and the modern sensibility, which holds that privacy is a denial of a democratic entitlement, the public's entitlement to any fact that entertains.

She seems to have understood that her life was a constant conjuring trick. There was an incurable precariousness to her position as she tried to live off derivative dignity from an anachronistic institution while cultivating the royalism of a democratic age — celebrity.

In one of her last interviews, she, who kept the company of the flamboyantly rich, struck a populist note:

"I am much closer to people at the bottom than those at the top, and the latter won't forgive me for that."

What proved to be fatally unforgiving was the insatiable craving of society, from top to bottom, for details of Diana's life as princess for a democratic age. It was a drama on which the curtain came down with a crash.

Washington Post Writers Group.

Watch These Alliances Waver and Shift in the Middle East

By Thomas L. Friedman

WASHINGTON — In mid-July, a Saudi Arabian aircraft secretly took off from Syria for Saudi Arabia carrying one passenger and several guards. Therein lies an intriguing tale of shifting geopolitics.

The passenger was a Saudi Shiite Muslim code-named "Khassab," one of five key suspects initially sought by Saudi Arabia for the June 25, 1996, bombing of the U.S. Khobar Towers barracks in Dhahran, Saudi Arabia, which left 19 Americans dead.

Of those five, Jaafar Chueikhat "committed suicide" in a Syrian prison; Hani Sayegh fled to Canada and has been turned over to the United States; Ahmed Mughassil and Ali Khuri remain at large, suspected of being in Iran. Khassab was apparently tracked down by the Syrians in Lebanon.

Officials familiar with the inner workings in Syria (which initially resisted helping the Saudis) say the Syrians simply telephoned the Saudis one day and told them to send a plane, because they had "someone" for them. Presto, a key suspect was handed over.

*Pay attention to this new-*found Syrian cooperation. The Syrians' arrest of Khassab followed by just a few weeks a visit to Syria by Saudi Arabia's Crown Prince Abdullah. He has always been the most pro-Syrian of the Saudi leaders, and he had been embarrassed at home by Syria's lack of cooperation on Khobar. In late June, Abdullah spent a week in Syria and Lebanon, accompanied by a 172-member official delegation.

The Saudis have apparently decided to deal with Khobar in their own, Middle Eastern way. They seem to feel that by leaking information from their own *investigation that points to a* possible Iranian involvement they have effectively deterred Iran from mounting any more mischief in Saudi Arabia.

The Iranians are on notice that anything that goes "boom" in Saudi Arabia will now be blamed on them. That is all the deterrence the Saudis need or want. The last thing they desire now is for the United States to start shooting up Iran, with Saudi Arabia then left to deal with Iran's wrath.

I believe that the Saudis don't trust the United States to handle Iran or Syria, so they are doing it their own way.

Through quiet diplomacy they are getting Syria to roll up *the anti-Saudi forces in Leb*anon, and they have signaled to Iran's new president, Mohammed Khatami, that they are ready to have good relations with him if he reciprocates. If not, the Saudis can always summon the United States.

The Syrians are using their rapprochement with Saudi Arabia to help construct a new regional coalition.

In the wake of the U.S.-led victory over Iraq in the Gulf War a de facto "American coalition" arose in the Middle East comprising Israel, Turkey, Egypt, Jordan, Saudi Arabia, Qatar, Morocco and Kuwait. This American coalition was going to settle the Arab-Israeli conflict, forge a new Middle East economic order and establish a regional system in which the United States and its friends were predominant.

The attack on U.S. troops at Khobar was an attack by one (or several) of those parties left out of the U.S. coalition — Iran, Iraq, Syria, Hezbollah or Islamic Jihad — in order to halt its momentum.

In many ways, it worked. Those who want to deconstruct American dominance are now on the rise, energized by the collapse of the peace process, a new regime in Iran ready to have better Arab relations and the chilling aftermath of Khobar.

So Syria has patched up ties with Saudi Arabia, it is pressing for a new Arab summit with Iraq included, it has reopened trade and borders with Iraq, and President Hafez Assad, who rarely travels, recently visited Iran, where he mediated between Iran and Saudi Arabia. The Syrian goal is to blunt U.S.-Israeli pressure to make peace on their terms, and to counter a growing Israel-Turkey alliance.

The symbol of the American coalition has been the annual Middle East economic summit, held for the past three years, at which Israelis, Americans and Arabs mix openly and cut deals in an Arab capital.

Syria has been trying to organize a boycott of this year's economic summit set for Doha, Qatar, in late November, and as part of the Saudi-Syrian rapprochement the Saudis will likely join that boycott.

By coincidence, an Islamic summit is set to be held on Dec. 9, just after Doha, and it will be interesting to see how many Arab leaders attend that, instead of Doha. That Islamic summit will be held in Tehran.

The New York Times

The Kennedys Are Paying Up

By Richard Cohen

WASHINGTON — Joseph P. Kennedy 2d has pulled out of the Massachusetts gubernatorial race overwhelmed by the sort of personal problems that a previous generation of Kennedys would have dismissed as trifles. He had many problems, but his biggest was being a Kennedy at the wrong time.

It was not Joe but his brother Michael who allegedly had an affair with the family babysitter. Questions have been raised about what Joe knew about Michael and when he knew it, but whatever the case this was a matter between brothers and not, as tacky as the allegations are, the stuff for public denunciations.

And it was not Joe who was accused of rape in Palm Beach, Florida, not so very long ago. That was William Kennedy Smith, a cousin, who was staying with his Uncle Ted, *the Massachusetts* senator, at the time.

It was not Joe who posed sort of nude in the magazine "George" and penned a somewhat incomprehensible essay about temptation and women and that sort of thing — and, in passing, mentioned the travails of his two cousins. John F. Kennedy Jr. called both Joe and Michael "poster boys for bad behavior," although in Joe's case the bad behavior amounted to little more than seeking a church annulment and leaving behind "an embittered wife."

The essay is innocuous. It was so widely quoted that you might have thought John Kennedy, editor of "George" and son of the late president, had really bashed his cousins. Instead it seemed that he felt reluctantly obliged to mention them, and he did so with some compassion.

No matter. The press pounced. It seems that the sins of previous generations of Kennedys — and boy did they sin! — are now going to be paid for by this generation.

The patriarch, Joseph Kennedy, publicly flaunted his mistresses, cruelly humiliating the sainted Rose. She took solace in religion when, of course, she should have brained him. No jury would have convicted.

John Kennedy behaved similarly and he, too, was never called to account. It is stunning now to contemplate his presidency — the liaison with the mobbed-up Judith Exner, for instance. Here was a man who clearly felt that none of the rules, not even ones about co-mingling sex with national security, applied to him.

Even so, the knowledge of his behavior is scant match for the dazzle of his smile. When you look at the old pictures of him, his charisma still triumphs over judgment.

Now, John gets lambasted for posing nude when, if you look at the picture, it is so dark that he could be wearing a neon bathing suit and you wouldn't know it.

As for Joe, the controversy over the church annulment he got from his first wife, Sheila Rauch Kennedy, tells it all. She wrote a book criticizing the whole absurd procedure. (How can anyone say that a 12-year marriage that produced two children is a nullity?) But this was not, as some thought, yet another example of a Kennedy using money and power to get what is denied others.

Church annulments are to my mind, and in the eyes of many Catholics as well, illogical and sometimes cruel, but they were granted 54,463 times in 1994, a typical year in the United States for such matters. Most divorced Catholics don't seek them, but they are not prohibitively expensive ($450 or so will do) and are necessary in some cases.

Joe Kennedy got his so that he could remarry within the church. That is required of a Massachusetts Kennedy with political ambitions. It is also a lie that prepares one for the subsequent lies of politics.

The irony is that in politics the Kennedys can't annul anything anymore. Their onetime ability to make the past disappear, to write their own version of events, to substitute myth for truth, is clearly not what it used to be. They are not victims, of course — and Joe, to his credit, does not claim to be one.

They still have wealth and connections, not to mention an unaccountable yen for public service. But their power has slipped, their inheritance is a two-edged sword. With all they got from their parents came a bill. The Kennedys are finally paying up.

The Washington Post

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Mayor Nominee

PARIS — Mr. Seth Low, the well-known president of Columbia University, is the first nominee for first Mayor of Greater New York. He is the chosen candidate of the Citizens' Union, whose aim it is to elect to the highest municipal office in the recently aggrandized city of New York a man associated with neither of the "machines" by which local politics are mainly worked and standing on a non-partisan, public franchise-reform platform.

1922: Black Friday

BERLIN — This is called Black Friday. Everything is in the air. Those who have money cannot spend it; those who need it cannot get it; those who have goods will not take it. Literally thousands are frantically trying to negotiate Reichsbank checks, which are being handed out by the smaller banks when ordinary currency is lacking. The Reichsbank and the street before it were jammed with people before ten o'clock. The officials confessed that they were far behind in the handling of currency and the flood of checks, so that policemen were called to clear the place and allow the bank to close its doors.

1947: Palestine Plan

LAKE SUCCESS, N.Y. — The United Nations Special Committee on Palestine recommended in a majority report that Palestine be carved into two states — one Arab and one Jewish — to become fully independent on September 1, 1949, on condition they sign an agreement for an economic union. The historic and holy city of Jerusalem would become a UN trusteeship administered by a governor (a non-Palestinian) appointed by the UN.

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LETTERS

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OPINION/LETTERS

Coffee and the Rise and Fall of Empire: An Incontrovertibly Perky Theory

By Joseph Joffe

MUNICH — The summer of '97 in America: Dairy Queen and A&W root beer floats are but faint memories, like sock hops and 30-cent gas. It's frappucino now. And macchiato. And Starbucks.

And, perhaps, the end of the American empire.

The handwriting was on the wall when the McDonald's in Boston's Logan airport began serving espresso to the Big Mac crowd. You can now get a double at the Pit Stop Espresso in Palmer, Alaska. There are 1,300 Starbucks outlets in North America, and each week, 5 million people come for a mocha or a latte.

What handwriting? And why the Gibbonesque ruminations about the rise and decline of nations?

The connection between coffee and clout first thrust itself on this author in Moscow in 1978, while the "Evil Empire" was still on a roll. The Brezhnevites had just unleashed a Europe-wide propaganda campaign against America's "neutron bomb."

On an official visit with a *delegatsiya*, I complained bitterly to my KGB handler about the nasty swill the Rossiya Hotel was serving up as "coffee."

Trying to humor me, he offered KGB jollity: "What do Russian coffee and the neutron bomb have in common?" I was flummoxed. "Both kill people and leave buildings intact. And what is the difference? You can protest the neutron bomb but not Russian coffee!"

At that point, the germ of a theory began to bud in my caffeine-depleted brain. It is destined to dethrone every theory about the rise and fall of the great powers developed in the last four centuries — from Machiavelli via Gibbon and Spengler to Lenin and Paul Kennedy.

Bad coffee equals expansionism, imperialism and war; good coffee drips with civility, pacifism and lassitude. That is the long and the short of it.

Here I was in the heart of the Soviet empire, and not a single Melitta filter in sight. Not even one of those lowly percolators Americans used to bubble their beans between the conquest of the West and the advent of the Melior. Just toxic mud and tepid water.

But what an empire! The Soviets had more nukes and troops than the Americans. They were masterminding wars throughout Africa. They were collecting Third World pawns by the bushel. And they were about to invade Afghanistan.

Was it communism or coffee that drove them? A systematic survey of world history quickly turned the germ into a fully blown and, I might add, incontrovertible theory.

Who had ruled the world for 400 years? Britain. What had distinguished Albion from the rest? The Magna Carta? The Royal Navy? Big Ben? No, horrible coffee all the way to victory in the Falkland war of 1982.

What about the United States? The age of American expansion from the Louisiana Purchase to Vietnam was marked by the ubiquitous coffeepot where the coarse-ground meal was first scalded and then left on the fire to thicken into an acid brew just right for tanning buffalo hides.

Or take Germany. During the height of German expansionism between the 1890s and the 1940s, Germans distinguished between "Kaffee" and "Bohnenkaffee" (literally: bean coffee). The masses drank the former, a mix of burnt barley and chicory. Only the very rich could afford the real stuff. And look where it got them — all the way to Moscow.

Bad coffee, then, is the milk of warriors. But any decent theory must also work in reverse, and hence good coffee should reduce the martial passions along with a nation's military skills. The Arabs are the best case in point. When was Arab power done in for good? When Ferdinand and Isabella of Spain completed the *reconquista* by driving the Moors from Granada, their last stronghold on Iberian soil, in 1492.

It so happens that *qahwa* came into use throughout the Arab-Islamic world in the mid-15th century. That rang the death knell for the two great Islamic empires, the Ottoman one on the northern and the Arab one on the southern rim of the Mediterranean.

The Turks made one more try, which brought them to Senta, southeast of Vienna. There they were stopped in

Bad coffee equals expansionism, imperialism and war; good coffee drips with civility, pacifism and lassitude.

1697, and ever since neither Turks nor Arabs have won any significant battle. Why not? As is well known, Arab or Turkish coffee, especially when laced with cardamom, is among the best in the world.

The Ottomans had their bittersweet revenge, though. Withdrawing from Vienna, they left their coffee sacks behind. The Austrians took to mocha with more passion than young Wolfgang Amadeus to the violin.

Soon Vienna was replete with coffeehouses, whence a great culture grew, from Strauss to Musil and Freud. But the Hapsburg empire was doomed, reduced to a has-been by the coffee-snubbing Prussians in the 19th.

So far, we have established that bad coffee makes for virility and expansionism while the art of the demitasse favors bad generals and the gentler pursuits of life. To deflate all naysayers, we must show that the theory works not just in a static but also in a dynamic way.

Accordingly, cultures, when moving, say, from instant to mocha java, should turn pacific at the first hiss of an espresso machine.

This is precisely what happened to Germany, the most aggressive nation in this century. But since 1945, hobnails have been strictly verboten, and Germans have become as aggressive as sloths.

Go to Moscow today and you'll probably find a latte stand right next to Lenin's tomb. But the heirs of Marshal Zhukov can no longer beat a bunch of ragtag Chechens.

So what about America? I fear the worst. Yes, the United States still has the most sophisticated military machine in the world, and every once in a while it does slug it out with the Saddams and the Karadzics. But look at the downside. In 1992, Starbucks operated a paltry 162 hangouts nationwide. Just in the first half of 1997, it has opened 212 new stores, aiming for a total of 2,000 by millennium's end.

No good can come of this. The age of American greatness will come to an end in an ocean of hazelnut and amaretto if Starbucks and epigones expand unchecked. There is a reason why the great empires of yore have gone under when confronted with a Melior full of freshly brewed Kenyan Blue. Either you tend to your gold-plated Gaggia or to your F-16. You don't fight with a frappucino in hand.

All is not lost yet, America. Just dig out that old percolator. Put in some coarse-ground Maxwell. Scorch and burn for an hour or so until the brackish liquid smells like your very own toxic dump. Shudder and gulp.

This is the kind of stuff that made Clint Eastwood's day and took Douglas MacArthur all the way to the Yalu River.

The writer is editorial page editor and columnist of Süddeutsche Zeitung, a Munich newspaper. He contributed this comment to The New York Times.

Reflections on American Marriage, Or Togetherness With Loopholes

By Peter D. Kramer

PROVIDENCE, Rhode Island — How shall we resolve a marital crisis?

Consider an example from the advice column of Ann Landers. An "Iowa Wife" wrote to ask what she should do about her husband's habit, after 30 years of marriage, of reading magazines at table when the couple dined out.

Ann Landers advised the wife to engage her husband by studying subjects of interest to him. Readers from around the country protested. A "14-Year-Old Girl in Pennsylvania" crystallized the objections: "You told the wife to read up on sports or business, whatever he was interested in, even though it might be boring to her. Doesn't that defeat the basic idea of being your own self?"

Chastened, Ann Landers changed course, updated her stance: Reading at table is a hostile act, perhaps even grounds for divorce.

When it comes to marriage, Ann Landers seems a reasonable barometer of our American values. In practical terms, reading the sports pages might work for some Iowa wife — but we do not believe that is how spouses ought to behave. Only the second response, consider divorce, expresses our overriding respect for autonomy, for the unique and separate self.

Look south now from Iowa and Pennsylvania to Louisiana, where a new law allows couples to opt for a "covenant marriage" — terminable only after a lengthy separation or because of adultery, abandonment, abuse or imprisonment. The law has been praised by many as an expedient against the epidemic of divorce and an incarnation of our "traditional values."

Whether the law will lower the divorce rate is an empirical question to be decided in the future, but it is not too soon to ask: Does covenant marriage express the values we live by?

History seems to say no. American literature's one great self-help book is "Walden," a paean to self-reliance and an homage to Henry David Thoreau's favorite preacher, Ralph Waldo Emerson, who declaimed: "Say to them, O father, O mother, O wife, O brother, O friend, I have lived with you after appearances hitherto. Henceforward, I am the truth's. ... I must be myself. I cannot break my self any longer for you, or you."

The economic philosophy we proudly export, fundamentalist capitalism, says that society functions best when members act in a self-interested manner. The nation's founding document is a bill of divorcement. Autonomy is the characteristic American virtue.

As a psychiatrist, I see this value embedded in our psychotherapy, the craft that both shapes and expresses the prevailing common sense.

In the early 1970s, Carl Rogers, known as the "Psychologist of America," encapsulated the post-World War II version of our ideals: A successful

MEANWHILE

marriage is one that increases the "self-actualization" of each member.

Of a failed union, he wrote: "If Jennifer had from the first insisted on being her true self, the marriage would have had much more strife and much more hope."

He was expressing the predominant viewpoint; for most of the past 50 years, enhanced autonomy has been a goal of psychotherapy.

Erik Erikson began the trend by boldly proclaiming that the search for identity had become as important in his time as the study of sexuality was in Freud's.

Later, Murray Bowen, a founder of family therapy, invoked a scale of maturity whose measure is a person's ability to maintain his or her beliefs in the face of family pressures. The useful response to crises within couples, he suggested, is to hold fast to your values and challenge your partner to rise to meet your level of maturity.

But autonomy was a value for men only, and largely it was pseudo-autonomy, the successful man propped up by the indentured wife and overburdened mother. (No doubt Thoreau sent his clothes home for laundering.)

The self-help movement, beginning in the 1970s, extended this American ideal to women. Once both partners are allowed to be autonomous, the continuation of marriage becomes more truly voluntary.

In this sense, an increase in divorce signals social progress.

It signals social progress, except that divorce is itself destructive. So it seems to me the question is whether any other compelling value counterbalances the siren song of self-improvement.

Turning again to psychotherapy, we do hear arguments for a different type of American value. Answering Erik Erikson's call for individual identity, Helen Merrell Lynd, a sociologist at Sarah Lawrence College, wrote, "Nor must complete finding of oneself ... precede finding oneself in and through other persons."

Her belief entered psychiatry through the writings of her pupil Jean Baker Miller. A professor of psychiatry at Boston University, Dr. Miller faults most psychotherapy for elevating autonomy at the expense of qualities important to women, such as mutuality. To feel connected (when there is genuine give-and-take) is to feel worth. Dr. Miller wants a transformed culture in which mutuality "is valued as highly as, or more highly than, self-enhancement."

Mutuality is an ideal the culture believes it should honor but does not quite. Ours is a society that does a halfhearted job of inculcating compromise, which is to say that we still teach these skills mainly to women. Much of psychotherapy addresses the troubles of those who make great efforts at compromise only to be taken advantage of by selfish partners.

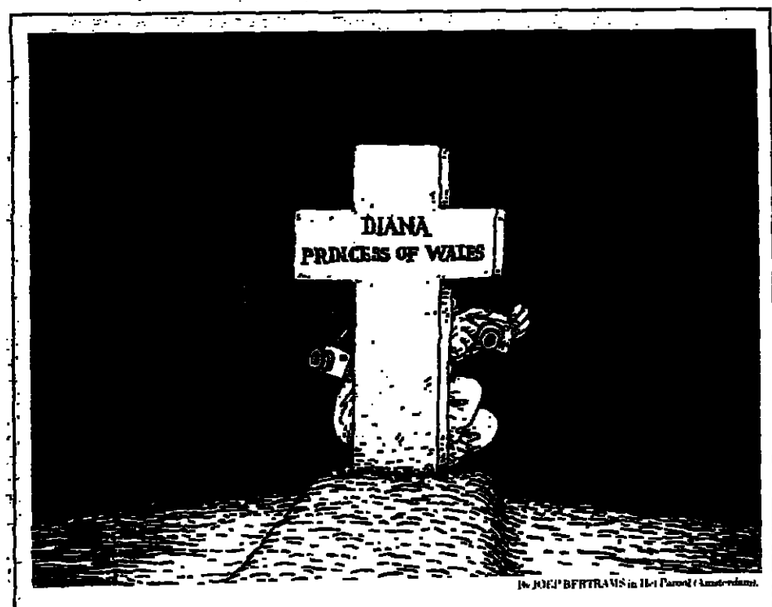
Often the more vulnerable spouse requires rescue through the sort of move Ann Landers recommends, vigorous self-assertion, and even divorce.

Mutuality is a worthy ideal, one that might serve as a fit complement and counterbalance to our celebration of the self. But if we do not reward it elsewhere — if in the school and office and marketplace we celebrate self-assertion — it seems worrisome to ask the institution of marriage to play by different rules.

What is insidious about Louisiana's covenant marriage is that, contrary to claims on its behalf, it is out of touch with our traditional American values: self-expression, self-fulfillment, self-reliance. The Louisiana law invites couples to lash themselves to a morality the broader culture does not support, an arrangement that creates a potential for terrible tensions.

Though we profess abhorrence of divorce, I suspect that the divorce rate reflects our national values with great exactness, and that conventional modern marriage — an eternal commitment with loopholes galore — expresses precisely the degree of loss of autonomy that we are able to tolerate.

The writer, a clinical professor of psychiatry at Brown University, is the author of "Listening to Prozac" and the forthcoming "Should You Leave?" He contributed this comment to The New York Times.



by JOEP BERTRAMS in Het Parool (Amsterdam).

LETTERS TO THE EDITOR

NATO Question

Regarding "A NATO That Creeps Eastward Is Bad for Russian Democrats" (Opinion, Aug. 27) by Alexei Arbatov:

Two things are truly remarkable about Mr. Arbatov's article. First, that it has become possible for the deputy chairman of the Russian Parliament's Defense Committee to write such a candid but moderate analysis of as delicate a subject as NATO's eastward expansion without fearing retribution at home. This in itself is a significant sign of the quantum leap that Russia has made in its democratic process.

Second, one has to agree with Mr. Arbatov when he contrasts the North Atlantic Treaty Organization's embrace of Poland, Hungary and the Czech Republic with the largely meaningless role offered Russia in the Partnership for Peace.

Western policymakers made one major error from the very beginning: NATO's post-Cold War role was never defined. So what, in fact, is being expanded, and why? This is a question the Russians are legitimately asking themselves — and so should we in the West.

KARL H. PAGAC.
Villeneuve-Loubet, France.

Correct Date

Gideon Rafael *("Remember Sept. 1: The Time for Action Is at the Beginning," Opinion, Sept. 1)* says the German Army invaded Yugoslavia in June 1940. The correct date is April 1941.

MLADEN ANDRIJASEVIC.
Beersheba, Israel.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Singapore Defamation Case

Your report (Aug. 19) of the first day's hearing was entitled "Singapore Leaders Sue Foe Over 'Defamation,' Campaign 'Innuendo' Called a Danger." "Defamation" and "innuendo" are words in common usage. Yet your editors put them in inverted commas, implying that Prime Minister Goh Chok Tong's case had no merit. You also stated that such a case would be "thrown out of court under laws in some countries." You did not substantiate any of these assertions.

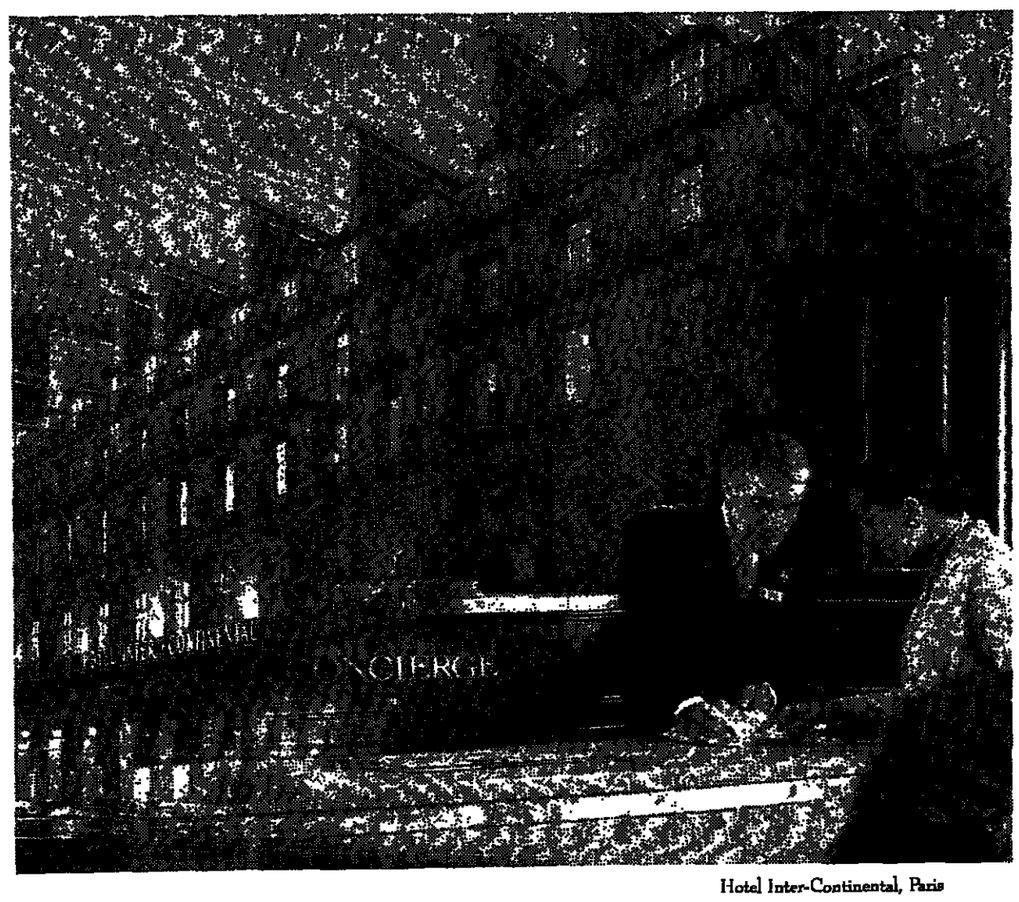
You also ignored the fact that it was an English Queen's Counsel (QC), relying on English legal authorities, who argued that Mr. Jeyaretnam's announcement was defamatory, because it repeated a defamation contained in a police report. Mr. Goh gave evidence that he and the other plaintiffs had sought the advice of four QCs, i.e., specialists in English law, before commencing the action.

You did not explain the basis of Mr. Goh's case. The sting of the defamation was not simply that police reports had been filed, but also in the innuendo, that in the context of the highly publicized accusations made by Mr. Tang Liang Hong that Mr. Goh and others were guilty of criminal conspiracy and defamation, Mr. Jeyaretnam's announcement amounted to an endorsement of Mr. Tang's clearly defamatory allegations. It was significant, as pointed out by Mr. Goh's QC, that Mr. Carman, QC for Mr. Jeyaretnam, did not meet this argument in his summing up.

The IHT formed its judgment on the first day of the trial, before listening to any of the evidence. The judge, on the other hand, will carefully and impartially weigh and assess the evidence before he decides.

LIM SIAM KIM.
Singapore.

The writer is press secretary to the prime minister of Singapore.



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*FORUM HOTEL

The Power of Style: Odyssey of a Modern Princess

By Suzy Menkes
International Herald Tribune

PARIS — Diana's contribution to fashion was in understanding intuitively the power of style. She used the language of clothes to create an image on a global scale. And through her wardrobe, she revealed her metamorphosis from "Shy Di" to princess superstar.

The Princess of Wales may have appeared first as a clotheshorse and sometime fashion victim. But as she broke free from constraints, her clothes expressed her independence. In the last years of her brief life, her style became symbolic of postfeminist dressing.

The body-conscious clothes, gym-honed figure and confident sexual allure expressed the spirit of her thirty-something generation, free of bourgeois inhibitions that once filled women's closets. Her streamlined workday wardrobe and casual off-duty elegance represented a brave new fashion world and a revolution in the convention-bound royal family.

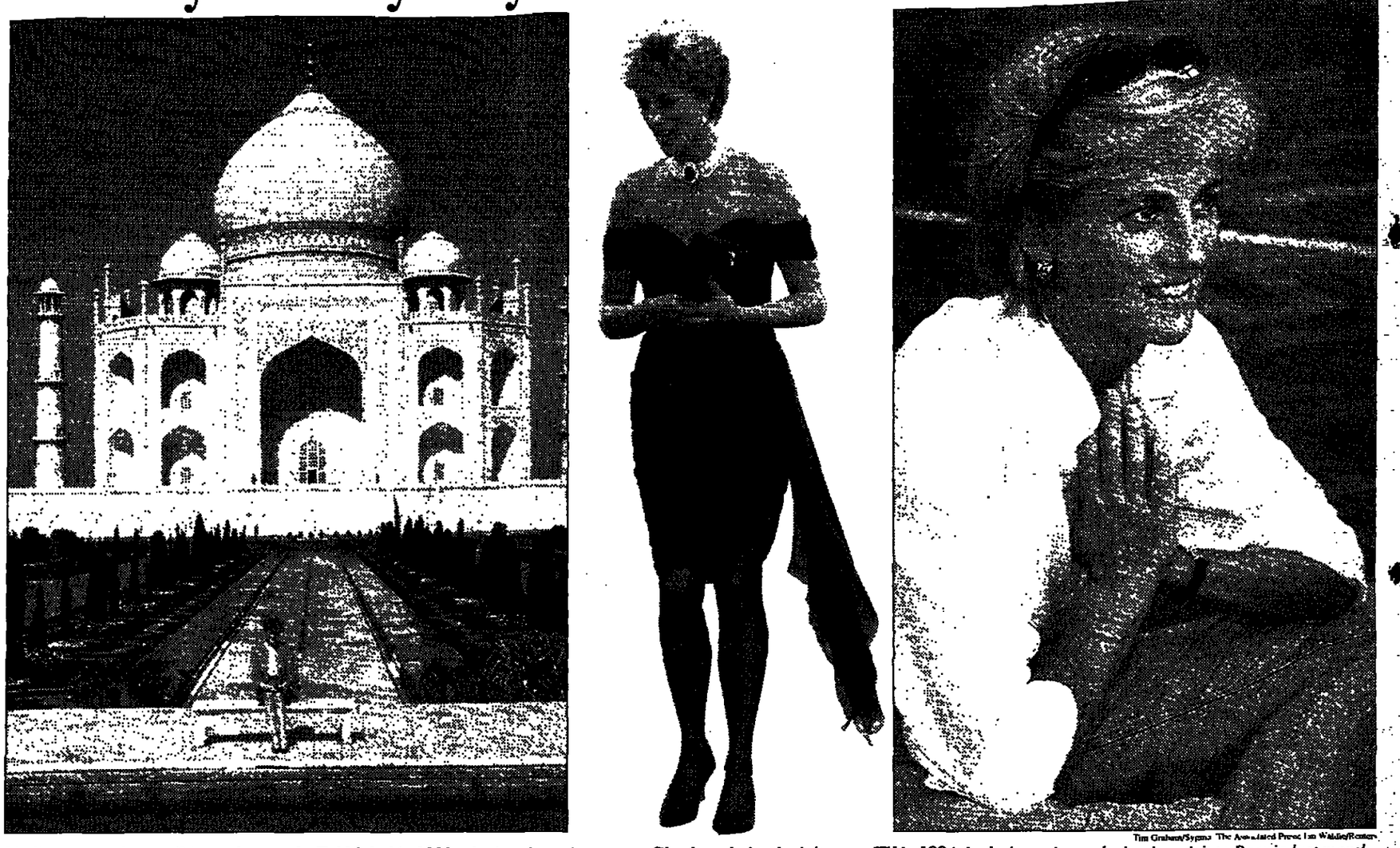
At times the message was startlingly explicit, as when, disillusioned with her fairy-princess role, she swapped tiara and gown for baseball cap and jeans, or when she chose a seductive little black dress to flash before photographers the night in 1994 that Prince Charles confessed to his adultery on television.

Ah, those sidelong winks to the cameras' adoring eyes! The first time that I witnessed the complicity was when the princess, shortly after the birth of her second son, Prince Harry, swept up her hair into a chignon for the state opening of Parliament — and patted the new hair style as a signal to the snappers.

From that moment can be dated the conscious creation of her photographic image, which led in the 1980s first to the "Dynasty Di," whose shiny lips and royal blue lashes glossed private pain with public glamour.

It led also to those perfect-pitch photo ops: the sand-beige safari dress photographed like a fashion magazine spread against the pallid immensity of the Egyptian pyramids, or the message — as vivid as the Rajasthan pinks and purples of her outfit — when a solitary princess was framed by the Taj Mahal, India's monument to love.

The most preposterous candy-fodder for the cameras was when Diana dressed her husband and sons like a Ralph Lauren ad and sat exultantly center stage in designer jodhpurs. With hindsight, such an image, taken at the height of her romance with James Hewitt, had the defiance of a woman taking herself to the edge.



Tim Graham/Sygma; The Associated Press; Ian Waldie/Reuters

Media-savvy princess: Diana alone at the Taj Mahal in 1992, playing the seductress as Charles admitted adultery on TV in 1994, in designer jeans during her visit to Bosnia last month.

Haunted by pictures of the princess as a hunted quarry, people will argue about whether Diana played to the gallery and therefore courted the bloated publicity that turned her into a media monster.

The truth is that she was one of those rare, charismatic figures whom the camera loves — although this was evident only a few years into her marriage.

Like any language, Diana's fashion vocabulary had to be learned, with stuttering mistakes in the gauche early years. The befeathered creations of her mother's milliner, the coat-and-dress ensembles of British establishment couturiers and the dowdy engagement outfit bought off the rack at Harrods did not suggest a natural flair for fashion.

When the young nursery teacher Lady Diana Spencer posed with her charges in a see-through skirt, it showed the artless innocence of a fashion amateur rather than the artful manipulator of her mature years.

As soon as Diana had shed her puppy fat, her hats and the frilly collars and floppy skirts of her upper-crust upbringing, the British fashion world adored her. Since her early role was to be wife and mother, she was dressed appropriately in pretty dresses, special occasion outfits and those billowing ball gowns beloved of the tiara set.

When the transformation came, it was with the POW! of superwoman: a slinky one-shouldered dress worn on a visit to Australia in 1985. It revealed a sinuous figure, magically slimmed (although we now know that the skinny waist and sculpted cheekbones were the result of bulimia).

In pictures alone, without a word of commentary, you could trace the rest of the story — the steely independence emerging from marshmallow prettiness as Diana swapped feminine fluff for pants and power-shouldered suits.

Then, as she sloughed off her royal skin and faced off her problems, a new body emerged, strong and muscled. To complement it, there were tank-top dresses, bicycle shorts and the swimsuits in which she paraded on Mediterranean vacations this summer.

Her 1990s look was as racy, streamlined and modern as her earlier style had been sweetly traditional.

For British designers, who had served their princess loyally, there was disappointment that she mostly deserted them after her marriage broke up.

Although she kept her close relationship with Catherine Walker, whose dresses figured prominently in the Sotheby's dress sale last June, Diana was no longer British fashion's dutiful ambassador.

By embracing Versace and Galliano or by carrying Gucci bags and wearing Armani jeans, Diana was reflecting her new status as a global humanitarian ambassador, and also revealing the private Lear-jet world in which she now moved.

Significantly, the princess, for all the luster she brought to gala occasions, was never part of English society. She was uncomfortable with the tweeds and ballgown set to which she was born and to which the royal family clings.

Her spread of different designers and seesawing style accurately reflected a personal insecurity. She was at her most radiant dressed up for her public, or dressed down with her sons.

She was less successful for her working life, when she developed a semi-royal style of brightly colored suits (but minus the fancy hats). A more modern approach would have been basic tailoring with ever-changing accessories. More recently the princess had moved into the sleek, minimalist clothes of the 1990s.

Diana will be remembered not as a fashion leader, but as a woman who people wanted to look like and look at. As befitted a princess of the Internet generation, her image was often more powerful and luminous than the face-to-face reality.

Photographers said of Diana that it was almost impossible to take a bad picture of her. Her tragedy is that this could be her epitaph.

BOOKS

PICKFORD
The Woman Who Made Hollywood

By Eileen Whitfield. 441 pages. $25. University Press of Kentucky.

Reviewed by Wendy Smith

MARY PICKFORD is unfairly remembered, if she's remembered at all, as a ringleted actress who played angelic children in maudlin silent movies. The Canadian journalist Eileen Whitfield's excellent biography reclaims Pickford from cliché, arguing forcefully and persuasively that her films — and performances — are better than their reputation. Whitfield paints a nuanced, three-dimensional portrait of a complex woman whose story is a fascinating case study of a seminal period in Hollywood history.

She entered the world as Gladys Louise Smith on April 8, 1892, in Toronto. Her father died when she was 5; less than two years later she appeared in her first play, quickly becoming the financial mainstay for her beloved mother, Charlotte, and younger siblings, Lottie and Jack. Apprenticeship in such melodramatic classics as "Uncle Tom's Cabin" and "East Lynne," followed by five grueling years touring North America, completed her transformation into a mini-adult whose ability to incarnate youngsters onstage was remarkable for one who'd had little direct experience of carefree childhood.

By the time she bluffed her way into the office of Broadway producer David Belasco, who gave her the stage name Mary Pickford and put her in a hit play, the 15-year-old actress was a seasoned professional whose delicate, vulnerable beauty barely masked an iron will and ferocious ambition. In "The Woman Who Made Hollywood," Whitfield makes good use of Pickford's memoirs and interviews she gave late in life to deduce that her theater acting was already simpler and more concerned with inner emotional truth than the period's conventional showy posturing.

Analyses of Pickford's most famous roles — the Poor Little Rich Girl, Rebecca of Sunnybrook Farm and the Little Princess, to name a few — point out that she perfected the blend of pathos and slapstick humor that Charlie Chaplin later made his trademark, and that her characters were usually feisty, streetwise adolescents, not innocent little girls.

She was tough off screen too, with a shrewd sense of her commercial value. "America's Sweetheart" was the most famous woman in the world in 1917, when she set off to sell war bonds with Chaplin and Douglas Fairbanks, who became her second husband in 1920. Her 1916 contract with Adolph Zukor's Famous Players gave her $500,000 a year or half her films' net profits (whichever was greater), her own production company, the right to choose her directors and a voice in the final cut. Three years later, she created United Artists with Chaplin, Fairbanks and D.W. Griffith.

She had less command over her personal life. Her substance-abusing siblings were a constant source of embarrassment and potential scandal. Her primary commitment to her mother sabotaged her first marriage, and Charlotte's death in 1928 probably triggered her long slide into alcoholism. She and Fairbanks ruled Hollywood from Pickfair, their mansion on Summit Drive, but the marriage foundered as the talkies swept silent films' royalty into professional oblivion and psychological drift.

Whitfield's account of the couple's lurching trajectory toward a 1936 divorce neither of them really wanted is quietly heartbreaking, as is her gentle depiction of Pickford's final marriage, to the selflessly devoted Buddy Rogers (whom she frequently called "Douglas"). Pickford died in 1979, an alcoholic recluse so dismissive of her work that she once threatened to burn all her movies. Many have in fact been lost, and the others — like most silents — are often shown in badly deteriorated prints. How fortunate, then, that the loving descriptions in this well-informed and passionate biography recapture the essence of those films, and of Mary Pickford's pioneering artistry.

Wendy Smith, the author of "Real Life Drama: The Group Theatre and America, 1931-1940," wrote this for The Washington Post.

CHESS

By Robert Byrne

THERE has long been a lively debate about who is the strongest player of all; prominent candidates are Bobby Fischer, Garry Kasparov, Jose Raul Capablanca, Alexander Alekhine or Emanuel Lasker. But there is no argument about the greatest female player: she is 21-year old Judit Polgar of Hungary, the youngest of three amazing sisters.

Polgar is the only woman ever to consistently compete on equal terms with the top 20 players in the world. For example, in the recent elite Dortmund International Tournament in Germany, she took a very respectable fifth place in a field of 10.

Women have been generally considered plodders in chess, but Polgar is especially recognized for her extraordinarily spirited attacking play. This can be seen clearly in her Dortmund victory over Nigel Short of England.

Short's 4...Qb6 is an offbeat variation of the Sicilian Defense that can lead, after 5 Nc3 Bc5 6 Na4 Qa5 7 c3 Bd4 8 Qd4 Nf6 9 f3 Nc6 10 Qd1 d5, to an advantage in development for Black. The alternative, 5 Nb3, obviates that, but at the price of taking the white king knight away from the center. Still, the black queen is not well placed either. In Novgorod last year, Polgar had Black and Short White in the same opening. Now each wants to see how the other half lives.

The aggressive Polgar hardly ever misses an opportunity for a sharp shot like 10 g4!? No matter whether Short took it or left it, she was going to get a kingside attack.

On 15 Bd4, defense by 15...e5? would let Polgar win material by 16 Nd5 Qd8 17 fe Ne5 18 Nb6 Nbd7 19 Na8 Bb7 20 Nb6! Nb6 21 Be5. Also, in this line, 16...Qb7 17 fe de 18 Ne7 Qe7 19 Bc5 wins material.

Polgar's 21 e5! was a pawn sacrifce that could not be accepted because of 21...de? 22 Ne4! Qe7 23 Nc6! Qc7 24 Nf6 Kh8 25 Qh7! Nh7 26 Rh7 mate.

After 22 Bd3, the threat of 23 Nf3 and 24 Ng5 prompted Short to give up a piece with 22...Ne5 23 fe Qe5.

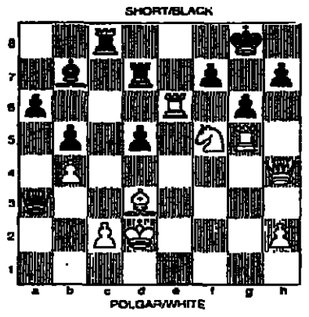
He then had three pawns for a knight, but in a middle game that was not enough.

Short's 29...Kg7 accelerated his downfall by permitting 30 Nf4! Both 30...Qd4? and 30...Qf6 lose to 31 Nh5.

After 31...Qc7 (31...Qd6 loses to 32 Nf5!) Polgar broke through incisively with 32 Nfe6! Ne6 (32...fe is defeated by 33 Rf8!) 33 Re6!, when 33...fe drops the queen to 34 Ne6.

After 35...Kg8, Polgar struck a devastating blow with 36 Ne7! The nice point was that 36...Kf8 (or 36...Kh8 37 Qd4) 37 Qh6 Ke8 38 Nc6! fe 39 Bg6! hg 40 Qg6 Rf7 41 Qe6 Kf8 42 Qd6 Ke8 43 Rg8 forces mate.

Short had to lose a rook for her knight with 36...Re7 and after 37 Re7 Qc3 38 Ke2 d4 39 Qf4, he saw that 39...Rf8 40 Rb7 Re8 41 Re5 was hopeless and gave up.



Position after 35 . . . Kg8

SICILIAN DEFENSE

White Polgar	Black Short	White Polgar	Black Short
1 e4	c5	20 Rh3	Nf8
2 Nf3	e6	21 e5	d5
3 d4	cd	22 Bd3	Ne5
4 Nd4	Qb6	23 fe	Qe5
5 Nb3	a8	24 Qf4	Bb7
6 Nc3	d5	25 Rf3	Rac8
7 Bf4	Nf6	26 Nce2	Rc7
8 Qd2	Be7	27 Rf6	Ree7
9 0-0-0	0-0	28 Kd2	Red7
10 g4	Ng4	29 a3	Kg7
11 Rg1	Ne5	30 Nf4	Rc8
12 Qe2	Qc7	31 Rg5	Qc7
13 Be3	b5	32 Nfe6	Ne6
14 f4	Ne4	33 Re6	Qa5
15 Bd4	g6	34 b4	Qa3
16 Qh5	Nd7	35 Nf5	Kg8
17 Qh6	Bf8	36 Ne7	Re7
18 Rd3	Bd4	37 Re7	Qc3
19 Nd4	Re8	38 Ke2	d4
		39 Qf4	Resigns

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Whither the Royal Jewels?

International Herald Tribune

PARIS — Will Diana's jewels now go back to the royal family for Prince William's future bride?

The princess's most important piece was her bow-knit diamond-and-pearl tiara — a wedding present from Queen Elizabeth, who had received it from her grandmother, Queen Mary.

This might have been given back under the divorce settlement, but Diana had recently worn another Queen Mary heirloom: a cabochon emerald necklace that she once sported like a sweatband.

From the queen mother, Diana received a Prince of Wales feather pendant, originally a wedding present to the future Queen Alexandra in the Victorian era, and a sapphire pin that the princess mounted on a pearl choker.

Among her state wedding gifts was a suite of sapphires and diamonds from the crown prince of Saudi Arabia.

Jewels that would be considered personal are Prince Charles's wedding gift of an emerald Art Deco bangle, a charm bracelet and a diamond heart necklace for the birth of Prince William.

Suzy Menkes/IHT

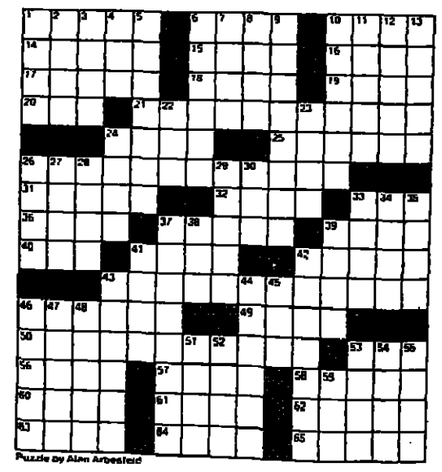
Tim Graham/Sygma

Diana in her royal tiara in 1986.

CROSSWORD

ACROSS
1 "Red" tree
6 Tues., for Tuesday
10 Poland's Walesa
14 24 sheets of paper
15 Peeved
16 First name in scat
17 Open, as a bottle
18 They produce a row on the farm
19 Swear
20 "Act your —!"
21 Elated
24 Opera set in the time of the Pharaohs
25 Hershey brand
26 Elated
31 Handy
32 Large pitcher
33 Triangular sail
36 Fall cleanup need
37 Longed
39 Western writer Grey
40 P. in Greece
41 "Hi-—, Hi-Lo" (1953 film song)
42 Quarterback Brett
43 Elated
46 Countenance
49 Open
50 Elated
53 33 or 45, e.g.
56 It's taken out at the seams
57 Bucket
58 "Behold!"
60 Writer Lindbergh
61 Ever
62 Ballyhooed sitcom of 1997
63 Latvian
64 Lack
65 Chill, so to speak

DOWN
1 Shade of blue
2 It's breath-taking
3 Cut into cubes
4 Stat for Maddux
5 Dinosaur, e.g.
6 Depth charge, in slang
7 Engage, as an entertainer
8 Belgian songwriter Jacques
9 Not showing emotions
10 Ballet dancer, at times
11 Oft-cited sighting
12 Copy
13 Peddles
22 Uganda's Amin
23 Forest denizen
24 Competent
26 Extra-short haircut
27 Bryce Canyon locale
28 Anti-apartheid activist Steven
29 Magic wish granters
30 Be in debt
33 Cawfee
34 Letters for Jesus
35 Miller, for one
37 Join in a football heap
38 Kind
39 Wacky
41 Italy's — di Como
42 Eternally
43 Picture gallery site?
44 Threw out, as a runner
45 Word to end a card game
46 Song part
47 Hole —
48 Meager
51 Scandinavian
52 Enjoyable
53 Brook
54 Emotional request
55 Domestic cat
59 Comida cry



Puzzle by Alan Arbesfeld

© New York Times/Edited by Will Shortz

Solution to Puzzle of Sept. 1

O	O	M	■	S	A	L	T	■	E	M	B	E	D	
U	R	S	A	■	E	D	I	E	■	A	L	L	I	E
M	A	S	S	■	L	O	V	E	■	S	K	U	N	K
B	L	A	C	K	F	R	I	D	A	Y	■	E	S	E
■	■	■	O	I	L	E	D	■	R	O	A	M	■	■
B	A	T	T	L	E	■	■	D	E	F	R	O	S	T
U	N	I	■	O	S	S	I	E	■	F	E	N	C	E
T	E	L	L	■	S	I	N	A	I	■	A	D	E	N
T	A	T	E	R	■	D	E	R	M	A	■	A	N	O
E	A	U	D	I	T	E	■	■	P	L	A	Y	E	R
■	■	■	E	A	S	E	■	S	W	O	O	N	■	■
A	B	S	■	O	N	A	N	Y	■	S	U	N	D	A	Y
C	A	D	E	T	■	M	A	L	T	■	E	A	V	E
T	R	A	I	T	■	E	R	I	E	■	A	R	I	A
S	A	Y	S	O	■	N	E	E	R	■	L	T	D	S

International Herald Tribune

BUSINESS/FINANCE

TUESDAY, SEPTEMBER 2, 1997

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Pain Sharpens in Asia

Economists Lower Forecasts for 1998

By Michael Richardson
International Herald Tribune

SINGAPORE — Economists are lowering their 1998 growth forecasts for several major Southeast Asian countries as the effects of currency turmoil in the region, which enters its third month this week, drive interest rates and inflation higher.

Bernhard Eschweiler, regional economist for JP Morgan, said Monday that growth next year in Indonesia, Malaysia, the Philippines and Thailand would be significantly lower and consumer price inflation considerably higher than projected by the investment bank at the end of June.

That was before currencies in those countries fell sharply against the U.S.

INTERNATIONAL STOCKS

dollar in a rout touched off by Thailand's effective devaluation of the baht on July 2.

In a report to clients, Mr. Eschweiler said that economic adjustment would be most severe in Thailand, "but even elsewhere in the region, real GDP growth in 1998 is expected to fall one-to-two percentage points below earlier forecasts."

Inflation is already accelerating in Thailand, where consumer prices jumped 6.6 percent in August from a year ago and 2.6 percent from July, the country's Commerce Ministry said Monday. Analysts attributed part of the jump to the three-percentage-point increase in the value-added tax that the country implemented in August as part of the conditions of a bailout package from the International Monetary Fund.

With the possible exception of Thailand, no Southeast Asian country is expected to slide into recession. Growth appears likely to continue at rates that mature economies in Japan and Western industrial nations would regard as a boom.

But economists and executives warned Monday that the high interest rates imposed to defend fragile Southeast Asian currencies from further steep falls were depressing imports, investment and consumption as well as stock markets, and that this could cause a further slowdown.

Philippine stocks fell nearly 2.3 percent Monday to a four-year low as rising interest rates cast new gloom on the market, brokers in Manila said.

Stocks in Thailand, Indonesia and Singapore also ended sharply lower, reflecting concerns about currency instability, slower economic growth and poor corporate results.

The Malaysian stock exchange was closed for a holiday.

Last week, investors sold down the Manila bourse by nearly 15 percent, Kuala Lumpur's key stock index by 11 percent, Bangkok by 10 percent and Jakarta by almost 7 percent.

"A lot of wealth has been lost in the 35 percent fall in the value of Malaysian shares since March," said Gan Chin Lee, an analyst at Nikko Research Center Pte Ltd. "Earlier this year, stock market capitalization was three times the country's GDP. We should see brakes being applied to economic activity in the coming months as high interest rates and a weaker currency begin to take their toll."

Since July 1, the Thai baht has lost more than 38 percent of its value against the U.S. dollar, the Indonesian rupiah is down over 21 percent and the Malaysian ringgit and the Philippine peso have each fallen by some 15 percent.

While this slide should lay the basis for a strong rebound in the region's exports and growth, economists said, in the short term it was undermining investment and business confidence.

Anna Tong, managing director of Invesco Asia Ltd. in Hong Kong, said that investors in Southeast Asia were "concerned about how much lower these currencies can go and how high interest rates have to get."

In a report Monday, the economic research group of Goldman Sachs Asia in Hong Kong said that it expected Asian currency market volatility to persist for at least another three months, slowing growth in the region.

[A forecast from NatWest Markets was even more dire, predicting that the regional currency turmoil would not come to an end until 1999, Agence France-Presse reported.

[The investment banking arm of Britain's National Westminster Bank said a "degree of stability" could come for the Singapore dollar, Malaysian ringgit and Indonesian rupiah as early as the second half of 1998, but that the Philippine peso and the baht would have to wait until

See OUTLOOK, Page 15

Diminished Expectations

Economic forecast changes in Southeast Asia.

	Real GDP % growth 1997	Real GDP % growth 1998	Current account ($ billion) 1997	Current account ($ billion) 1998	Consumer prices (% Dec/Dec) 1997	Consumer prices (% Dec/Dec) 1998
Indonesia	7.0	6.0	-10.7	-10.6	6.0	7.0
(old)*	*7.1*	*7.5*	*-10.7*	*-10.6*	*6.0*	*7.0*
Malaysia	8.0	7.0	-9.1	-7.0	3.5	4.0
(old)*	*7.8*	*8.2*	*-6.8*	*-6.9*	*3.2*	*3.5*
Philippines	5.3	4.4	-3.7	-3.3	3.5	4.0
(old)*	*5.9*	*5.8*	*-4.0*	*-4.9*	*7.5*	*7.0*
Thailand	1.0	0.5	-7.0	0.6	9.0	6.5
(old)*	*3.0*	*2.0*	*-7.0*	*-0.3*	*4.0*	*3.0*

Source: J.P. Morgan **previous forecast, made June 27*

International Herald Tribune

Promodes Makes a Bid For Two French Rivals In Supermarket Field

Compiled by Our Staff From Dispatches

PARIS — Promodes SA said Monday it had offered 28 billion francs ($4.63 billion) for two rivals as France's third-biggest supermarket chain positions itself for global competition amid a ban on new stores in France.

The company offered 19.1 billion francs, or 340 francs a share, for Casino SA, which operates Geant and Casino stores, a 12.6 percent premium over Friday's closing stock price. It also offered 8.7 billion francs, or 420 francs a share, for Rallye SA, which owns Go Sport and Athlete's Foot stores and a stake in Casino. That is a 66.7 percent premium on Friday's close.

Promodes's unsolicited offers, if successful, would make the company the country's largest retailer, ahead of Leclerc SA and Carrefour. The bids, the biggest ever in the French retail industry, follow a series of mergers after a law passed last year intended to stop the construction of giant stores. Since then, Auchan SA bought Docks de France and market leader Carrefour SA bought a stake in Cora SA.

"The acquisition would put Promodes in a different league, enabling it to better compete with Carrefour," said Dominique Sabassier, a fund manager at Caisse Centrale des Banques Populaires.

Shares in Promodes rose 109 francs, or 5 percent, to 2,298. Prices were buoyed by the takeover bid and the simultaneous announcement of a 66 percent increase in first-half net profit to 528 million francs. Trading in Casino and Rallye shares was suspended.

First-half sales rose 4.9 percent to 51.8 billion francs, and the company said it expected full-year sales to be around 7 percent higher than in 1996.

Promodes said sales in July rose 10.7 percent from a year earlier and forecast a 7 percent increase in 1997, suggesting a recovery in French consumer spending. Finance Minister Dominique Strauss-Kahn said he expected a recovery in consumer spending in the second half of the year.

Promodes said the main aim in seeking Rallye was to take control of Casino; Rallye owns 33.2 percent of Casino. It said the bid is dependent on its getting more than half of the shares of both companies.

Casino and Rallye said in separate statements that their directors would consider the bids Tuesday.

A Promodes-Casino linkup has been long expected by investors. Such an acquisition would allow Promodes to grow in its home market, where there is a restriction on building "hypermarkets," large suburban stores that sell mostly food and other household goods, to protect smaller stores. The combined companies would also help with foreign expansion, Promodes said.

"Perhaps one day we will be able to compete with giants like Wal-Mart," Promodes Chairman Paul-Louis Halley said at a press conference. "We are now one of the largest in France, but still small in the global market, where competition continues to increase."

Promodes said the acquisitions would create one of Europe's biggest food companies with a presence in 15 countries and annual sales of about 170 billion francs. Current market leader Carrefour had 155 billion francs in 1996 sales. The company would be bigger than Tesco and Sainsbury of Britain, though smaller than Germany's Edeka Zentrale AG and Tengelmann.

Promodes, along with most large French retailers, has expanded aggressively overseas to offset weak domestic business. It owns the Dia chain of 1,723 discount stores in Spain, as well as chains in Germany, Greece, Taiwan and elsewhere.

Last month, Promodes said foreign sales rose in the first half by 5.4 percent while domestic sales rose 4.7 percent.

Promodes said the merger would give it an 18.5 percent French market share, the largest in the industry. It said Carrefour's share was 15.9 percent and Leclerc's 15.3 percent.

Even if Euris, an investment company that owns 75 percent of Rallye, refuses to sell, Promodes would probably proceed with its Casino bid, said Stephanie Guntz-Hedoin, a distribution analyst at Wargny brokerage.

Luc Vandevelde, director general of Promodes, said the company expects Euris to accept the offer.

(Bloomberg, Reuters)

Yamaichi Europe Unit Idles 50 After Heavy Losses

Compiled by Our Staff From Dispatches

LONDON — Yamaichi International Europe Ltd., the European arm of Yamaichi Securities Co., said Monday that it had suspended 50 of its 340 employees in London amid "significant losses" in its British stock and bond businesses.

The employees were suspended pending a review of Yamaichi's operations in London, which have been hit by rising costs and poor trading performance in the last few years.

The bank refused to comment on the scale of the losses or in which operations they occurred.

In the year ending March 31, Yamaichi's London office had a loss of £9.9 million ($16 million).

The cuts come as Yamaichi Securities struggles to rebound from losses this year and to reorganize itself amid an investigation into its relationship with Japanese gangsters. Last month, the company's top 11 executives resigned amid allegations the company paid hush-money to gangsters.

The firm is suspected of paying 79 million yen to Ryuichi Koike, the corporate racketeer at the heart of a financial scandal that has also ensnared the giant brokerage Nomura Securities Co. and Dai-ichi Kangyo Bank.

More than a dozen people have been arrested in the affair, which involved illegal payoffs to racketeers to stop them from disrupting annual shareholders' meetings.

While this year's losses may have proved the final straw, the performance of Yamaichi's London operation over a number of years had been a problem, a Yamaichi spokesman said.

"It is a process of the accumulation of losses over a period of time," he said.

The spokesman said the job cuts were likely to be spread across the board and involve sales and trading, bonds and equities and the back office.

Yamaichi would not say how much it has lost in Britain since March, although a spokesman in Tokyo said the losses have passed the mark of £9.9 million. In its latest quarter, through June, Yamaichi Securities lost 5.43 billion yen.

Yamaichi said the suspended employees will receive full pay and benefits until the end of September, when the company will decide how many will be fired.

The 50 were suspended because of European Union regulations prohibiting a direct firing of employees in cutbacks without a suspension period. The Yamaichi spokesman in Tokyo said all 50 would probably lose their jobs.

(Bloomberg, Reuters)

The Ousted Hacker at Apple's Core

By John Markoff
New York Times Service

WOODSIDE, California — The steady stream of bicyclists who roll by the big steel gate each weekend may scarcely have time to glance through the bars at the baronial estate inside as they pedal to the hills overlooking Silicon Valley.

But behind that gate is an explanation — or an interpretation, at least — of the early glory and recent perils of the valley's most storied company.

For here in this 50-acre (20-hectare) domain atop the San Andreas Fault, with its groves of stately redwood trees, lives Armas Clifford (Mike) Markkula Jr., the third and perhaps least understood co-founder of Apple Computer Inc.

More than 20 years after Apple's creation and less than a month after he left the company as deputy chairman, in a boardroom overhaul on Aug. 6, Mr. Markkula strolls the grounds and, in a rare interview, offers his version of the company's rise and near-fall.

Mr. Markkula and the Apple board had been widely criticized for allowing three different chief executives in a four-year span to preside over cumulative losses of $1.7 billion.

"I know the board gets criticized for its decisions after the fact, and that's as it should be," he said.

"But the good decisions never get written about. There were a lot of good decisions made by Sculley, Spindler and Amelio."

If Mr. Markkula's executive assessment of the managerial legacies of John Sculley, Michael Spindler and the recently ousted Gilbert Amelio do not jibe with the public's perception, it may be because the public perception of Mike Markkula has never quite jibed with his own view of his Apple role.

Mr. Markkula, 54, said that while he has regrets about management errors in recent years, he is also optimistic that under the temporary direction of another Apple founder, Steve Jobs, the computer manufacturer will re-emerge as a viable company.

But whether Apple lives or dies, the company's quixotic nature, and thus its strengths and its weaknesses, have much to do with Mr. Markkula's personality and his passions.

It was Mr. Jobs, a bearded and barefoot visionary toiling in his parents' garage in the late 1970s, who is still the most publicized Apple founder. And it was Mr. Jobs's buddy, Stephen Wozniak, amiable but sometimes enigmatic, who gets credit as the hacker-genius founder.

But invariably the founding role of Mr. Markkula, 12 years older than Mr. Jobs, is described as little more than that of an experienced executive who brought "adult supervision" to the fledgling Apple Computer.

True, as a former Intel product-marketing manager who had already made a small fortune on his stock options and retired early, Mr. Markkula was a corporate veteran compared with the younger men. The three were brought together by a pair of seasoned Silicon Valley executives, Regis McKenna and Don Valentine, who correctly guessed that Mr. Markkula might be willing to invest some money and management time in the Jobs-Wozniak effort to build and market a new kind of personal computer.

But less well known is that Mr. Markkula, besides playing president and camp counselor, was himself a hands-on hacker.

It was he, for example, who instructed Mr. Wozniak to design the floppy disk drive for the Apple II, after discovering that a checkbook-balancing program he himself had written took far too long to load into the machine from the computer's original tape drive. The floppy disk, a new approach, helped Apple differentiate its early computer from competitors' machines.

And it was Mr. Markkula who wrote several of the early software programs for the Apple II — and freely distributed them — under the pen name Johnny Appleseed.

Later, this engineer with a hobbyist's passion for personal computing became Apple's best product tester, often finding dozens of flaws in hardware or software that was supposedly ready to ship, according to early Apple employees.

The point is that rather than being the executive's executive, as he has been so often described, Mr. Markkula was really more the engineer's engineer. And that may help explain some of the management turmoil over the years at Apple, for which Mr. Markkula has shouldered much of the blame.

Even though he has served at various times as chairman, president, board member and deputy chairman in his two decades at the company, he may have been less suited to the formal management-expert role into which he was

See APPLE, Page 12

CURRENCY & INTEREST RATES

Cross Rates

Sept. 1

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.041	3.2925	1.126	0.3345	0.1154*	—	5.4535*	1.3649	1.6872*	1.4705	133.55*
Brussels	37.42	60.415	20.6475	6.136	2.1177*	18.334	—	25.195	0.3071	27.30	24.49*
Frankfurt	1.8062	2.9228	—	0.2971	0.1025*	0.8879	4.8426*	1.2154	1.501*	1.308	1.1856*
London (a)	1.6128	—	2.9213	9.8325	2,849.73	3.2895	60.3136	2.4059	194.9412	2.2378	246.275
Madrid	152.98	246.527	84.356	25.061	8.645*	74.906	4.0857	102.431	126.554*	110.3515	—
Milan	1,770.58	2,846.08	975.75	259.73	—	866.75	47.222	1,184.75	14.671	1,275.35	11.56
New York (b)					Closed						
Paris	6.1042	9.837	3.366	—	0.345*	2.9889	0.163	4.0872	5.06*	4.4034	3.991*
Tokyo	120.75	194.67	66.57	19.79	0.681	59.11	3.2252	80.59	—	86.36	0.7895
Toronto					Closed						
Zurich	1.4934	2.4082	0.823	0.3446	0.0845*	0.7308	3.9865*	—	1.2340*	1.0769	0.9772*
1 ECU	1.0879	0.6751	1.973	6.6409	1,925.13	2.2219	40.7346	1.6248	131.52	1.5092	166.398
1 SDR	1.3636	0.8403	2.4463	8.3469	2,399.16	2.76	50.5888	2.0219	162.743	1.8933	206.991

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Aug. 29

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	282.34	Mex. peso	7.757	S. Afr. rand	4.6985
Australian $	1.3808	Hong Kong $	7.7472	N. Zealand $	1.5547	S. Kor. won	901.75
Austrian sch.	12.623	Hung. forint	197.06	Norw. krone	7.4128	Swed. krona	7.8241
Brazil real	1.0929	Indian rupee	36.38	Phil. peso	30.15	Taiwan $	28.69
Chinese yuan	8.3185	Indo. rupiah	3000.0	Polish zloty	3.47	Thai baht	34.20
Czech koruna	33.80	Irish £	0.6721	Port. escudo	182.04	Turkish lira	166060
Danish krone	6.831	Israeli shek.	3.5158	Russ ruble	5826.0	UAE dirham	3.6725
Egypt. pound	3.3963	Kuw dinar	0.31	Saudi riyal	3.7505	Venez. boliv.	497.00
Fin. markka	5.3844	Malay. ring.	2.9288	Sing. $	1.5315		

Forward Rates

Aug. 29

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6219	1.6197	1.6177	Japanese yen	118.74	118.21	117.69
Canadian dollar	1.3846	1.3820	1.3798	Swiss franc	1.4783	1.4726	1.4676
Deutsche mark	1.7907	1.7870	1.7837				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banco Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 1/8 - 3 1/4	1 1/8 - 1 1/4	7 1/16 - 7 3/16	3 1/4 - 3 5/16	7/16 - 9/16	4 5/16 - 4 7/16
3-month	5 9/16 - 5 11/16	3 1/8 - 3 1/4	1 1/4 - 1 3/8	7 5/16 - 7 7/16	3 1/4 - 3 3/8	7/16 - 9/16	4 1/4 - 4 3/8
6-month	5 11/16 - 5 13/16	3 5/16 - 3 7/16	1 5/16 - 1 9/16	7 9/16 - 7 11/16	3 3/8 - 3 1/2	7/16 - 9/16	4 5/16 - 4 7/16
1-year	5 15/16 - 6 1/16	3 9/16 - 3 3/4	1 5/8 - 1 3/4	7 1/2 - 7 5/8	3 9/16 - 3 11/16	9/16 - 3/4	4 9/16 - 4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	Clsd	5 1/2
90-day CDs dealers	–	5.61
180-day CP dealers	–	5.52
3 month Treasury bill	–	5.08
1-year Treasury bill	–	5.27
2-year Treasury bill	–	5.95
5-year Treasury note	–	6.22
7-year Treasury note	–	6.27
10-year Treasury note	–	6.34
30-year Treasury bond	–	6.61
Merrill Lynch 30-day RA	–	5.11
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.46
1-month interbank	0.53	0.52
3-month interbank	0.52	0.52
6-month interbank	0.54	0.54
10-year Gov't bond	2.24	2.23
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.50
1-month interbank	3.20	3.20
3-month interbank	3.31	3.31
6-month interbank	3.47	3.47
10-year Bund	5.91	5.91
Britain		
Bank base rate	7.00	7.00
Call money	7 1/8	7 3/16
1-month interbank	7 1/8	7 3/16
3-month interbank	7 1/4	7 1/4
6-month interbank	7 7/16	7 7/16
10-year Gilt	7.03	7.08
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 1/4
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 7/16	3 7/16
10-year OAT	5.58	5.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	324.35	324.75	– 0.15
London	324.40	324.50	– 0.85
New York		Closed	

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

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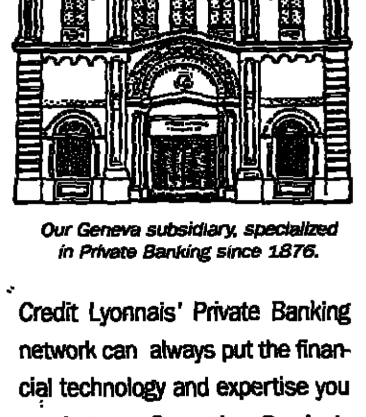

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After UPS Victory, Labor Scents a Comeback

By Steven Greenhouse
New York Times Service

NEW YORK — With the United Parcel Service settlement seen as a major triumph and an omen of future success, union leaders, and many experts, say the U.S. labor movement is in its strongest position in nearly a generation and is poised to increase its membership after a two-decade decline.

This fall might be a watershed for unions, some experts say. The 15-day UPS strike, which ended Aug. 19, established a surge of sympathy for unions as many of the efforts at revitalization pushed by John Sweeney, the AFL-CIO's president, have taken root.

The largest U.S. labor federation, with 13 million members, is spending $20 million a year on organizing new members, up from $2.5 million a year in the early 1990s, and several unions that had essentially stopped organizing have started pumping money and staff into recruiting members.

Hundreds of college graduates are signing on as union organizers, while a new generation of labor leaders in their 40s has emerged, far more interested in shaking up and expanding the labor movement than were the crusty old leaders who dominated labor in the 1980s.

"Things are better for labor than they've been in a very long time," said Tom Juravich, director of the Labor Relations and Research Center at the University of Massachusetts. "The mood is fundamentally different from just two or three years ago, when there was a sense of hopelessness."

As part of Mr. Sweeney's push to reverse labor's slide, there is a surge in union organizing, including campaigns to unionize 16,000 teachers and school aides in Dallas, 20,000 strawberry workers in California, 55,000 apple workers in Washington state, 70,000 home health-care workers in the Los Angeles area and 110,000 employees at Federal Express.

Labor has recently scored some of its biggest victories in two decades, among them unionizing 5,000 mechanics at Continental Airlines and 30,000 government workers in Maryland.

There have, of course, been major defeats, too, most notably the loss of an election two weeks ago for representation of more than 5,000 textile workers at a dozen North Carolina factories owned by Fieldcrest Cannon.

Despite the new confidence, some critics assert that all the activity aimed at reversing labor's decline has generated little but sound and fury because it has failed to increase labor's bottom line: the number of Americans belonging to unions.

In 1996, the first full year after Mr. Sweeney was elected president, union membership declined by 92,000 and the percentage of U.S. workers belonging to unions slid to 14.5 percent, down from 35 percent in the 1950s.

"Unions have become much better at communicating," said Thomas Donohue, the new president of the U.S. Chamber of Commerce. "They're spending a lot of money. But they still seem to be flailing around trying to find something that works."

The decline in membership as labor tries to expand its ranks is a result of numerous persistent forces like retirements, plant closings and downsizing. In addition, labor must contend with expensive campaigns by employers to keep out unions and the hostility felt by many Americans who see some labor officials driving Cadillacs or using union money to attend conferences in Hawaii or Italy.

Mr. Sweeney predicted in an interview that in the next few years his big organizing push would begin raising labor's overall numbers. He said the decline in labor's ranks last year was understandable because he had only begun putting his organizing plans into place and because the AFL-CIO's focus in 1996 was on the congressional and presidential elections, not on organizing.

"The bottom line is, nobody has any unrealistic dreams of doubling our membership in one year," he said. "We're going to get on a modest growth pattern of 2 or 3 percent a year."

Under Mr. Sweeney, the AFL-CIO has provided many unions with matching grants to encourage them to do more organizing. The labor federation has also reorganized dozens of city labor councils to make them focus on recruiting. It has also set up a program in many cities, called Street Heat, in which hundreds of union supporters hold raucous protest marches at companies that dismiss workers who back unionization drives.

To extend labor's reach, the AFL-CIO has sponsored teach-ins with academics and has established alliances with members of the clergy, environmentalists, women's groups and ethnic groups.

"A lot of what we're doing is for the long term," Mr. Sweeney said. "We're just beginning to see the payoffs."

He said he believed that the strike by 185,000 UPS workers, the biggest strike in the United States since an AT&T walkout in 1983, would attract more Americans to unions because the public saw what the Teamsters were able to accomplish by standing together.

The UPS workers won most of their demands, including converting 10,000 part-time positions to full-time jobs and restrictions on subcontracting.

Bell Atlantic to Pull Out Of Olivetti Phone Venture

Bloomberg News

MILAN — Olivetti SpA said Monday that Bell Atlantic Corp. would leave an Italian joint venture, Infostrada, opening a place for France Telecom SA to become Olivetti's partner in the project.

Olivetti said it postponed a planned Infostrada shareholders' meeting Monday because Bell Atlantic, with 33 percent of the venture, plans to leave. Ivrea-based Olivetti controls 67 percent of the alliance.

The companies were expected to discuss France Telecom's partnership by injecting as much as 165 billion lire ($93.9 million) into Infostrada.

An Olivetti spokesman said the departure leaves the stake open to other partners.

Under terms of an agreement reached in April between Olivetti and France Telecom, the French state telephone company was to take a 49 percent stake in Infostrada, with Bell Atlantic and Olivetti controlling the remaining stake.

Before that could take place, Bell Atlantic needed to sign off on France Telecom's entry.

Infostrada provides telephone services like Internet access and data transmission to 900 businesses in Italy, competing with the state phone monopoly Telecom Italia SpA.

The decision comes amid increasing speculation that Deutsche Telekom AG, already a partner with France Telecom in another venture, is interested in taking a stake in Olivetti's fixed-line telephone services venture.

■ Telefonica Denies Sale

Telefonica de Espana SA said it had no plans to sell a stake in its international unit and would concentrate its global expansion in Brazil and Southern Cone countries like Argentina and Chile, Bloomberg News reported from Madrid.

"We strongly deny Telefonica is considering selling a stake in Tisa to MCI or Portugal Telecom," said Francisco Blanco, director of investor relations at Telefonica.

Telefonica is now the biggest foreign telephone operator in Latin America, and revenue from its international operations reached 223.0 billion pesetas ($1.47 billion) in the first half.

INTERNATIONAL FUTURES

Sept. 1, 1997

Metals

	High	Low	Latest	Chge	Opint
LONDON METALS (LME) Dollars per metric ton			Close		Previous
Aluminum (High Grade)					
Spot	1590.00	1593.00	1614.00		1617.00
Forward	1617.00	1618.00	1633.00		1634.00
Copper Cathodes (High Grade)					
Spot	2173.00	2175.00	2187.00		2190.00
Forward	2176.00	2177.00	2182.00		2184.00
Lead					
Spot	636½	637½	641.00		642.00
Forward	*649.00*	*650.00*	*650.00*		*651.00*
Nickel					
Spot	6525.00	6525.00	6695.00		6705.00
Forward	6620.00	6630.00	6795.00		6796.00
Tin					
Spot	5345.00	5355.00	5385.00		5390.00
Forward	5400.00	5410.00	5425.00		5430.00
Zinc (Special High Grade)					
Spot	1632.00	1625.00	1632.00		1637.00
Forward	1483.00	1484.00	1492.00		1493.00

Financial

	High	Low	Close	Chge	Opint
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	114-27	114-11	114-27	+0-11	83,032
Dec 97	114-16	114-01	114-16	+0-10	117,461
Mar 98	N.T.	N.T.	114-05	+0-09	0
Est. sales 28,179. Prev. sales: 58,576 Prev. open int.: 200,493 off 332					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.35	102.12	102.33	+0.14	221,186
Dec 97	101.45	101.22	101.43	+0.14	68,410
Mar 98	N T	N T.	100.55	+0.14	64
Est. sales: 101,326. Prev. sales: 178,463 Prev. open int. 289,660 off 384					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	129.92	129.68	129.86	– 0.18	156,201
Dec 97	98.72	98.52	98.68	+ 0.16	18,641
Mar 98	97.92	97.92	98.08	+ 0.16	0
Est. sales: 32,302. Open int.: 174,842 up 4,788.					

	High	Low	Latest	Chge	Opint
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	136.44	135.53	136.40	+0.82	75,210
Dec 97	108.53	107.73	108.48	+0.72	38,727
Est. sales: 57,421. Prev. sales: 59,106 Prev. open int.: 113,937 off 377					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.71	92.67	92.70	+0.01	196,999
Dec 97	92.48	92.41	92.54	+0.03	126,721
Mar 98	92.51	92.44	92.50	+0.03	108,438
Jun 98	92.54	92.47	92.53	+0.03	76,340
Sep 98	92.62	92.56	92.61	+0.03	56,071
Dec 98	92.72	92.66	92.71	+0.03	51,053
Mar 99	92.80	92.73	92.78	+0.03	42,959
Est. sales: 44,845. Prev. sales: 33,638 Prev open int.: 664,082 off 2,206					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.67	96.65	96.66	Unch.	225,652
Oct 97	N.T.	N.T.	96.58	Unch.	1,976
Nov 97	N.T.	N.T.	96.52	Unch.	400
Dec 97	96.46	96.44	96.45	–0.01	286,353
Mar 98	96.31	96.28	96.30	Unch.	270,623
Jun 98	96.09	96.06	96.08	Unch.	211,419
Sep 98	95.87	95.84	95.85	–0.01	154,257
Dec 98	95.62	95.58	95.60	–0.01	160,754
Mar 99	95.43	95.40	95.42	Unch.	130,471
Jun 99	95.26	95.23	95.25	Unch.	69,865
Est. sales: 64,309. Prev. sales: 136,834 Prev. open int.: 1,663,972 off 7,901					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.56	96.54	96.56	+ 0.01	59,050
Dec 97	96.39	96.36	96.39	+ 0.02	36,980
Mar 98	96.25	96.22	96.25	+ 0.01	28,917
Jun 98	96.08	96.05	96.08	Unch.	23,870
Sep 98	95.93	95.89	95.92	— 0.01	27,189
Est. sales: 17,054. Open int.: 254,617 off 7,786.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.23	93.20	93.22	Unch.	97,378
Dec 97	93.56	93.52	93.55	+0.02	90,684
Mar 98	93.88	93.83	93.88	+0.04	59,049
Jun 98	94.16	94.07	94.16	+0.07	46,622
Sep 98	94.33	94.25	94.33	+0.07	36,992
Dec 98	94.42	94.36	94.42	+0.06	31,409
Est. sales: 16,020. Prev. sales: 30,517 Prev. open int.: 390,643 off 842					

Industrials

	High	Low	Latest	Chge	Opint
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	164.25	162.25	163.50	—0.75	15,213
Oct 97	166.00	164.50	165.75	—0.75	19,206
Nov 97	167.50	166.75	167.75	—0.75	11,080
Dec 97	169.50	168.75	169.50	—1.00	15,350
Jan 98	171.00	170.25	171.00	—0.75	10,214
Feb 98	171.25	171.00	171.50	—0.25	4,576
Mar 98	170.25	170.00	170.50	—0.25	2,672
Est. sales: 10,500. Prev. sales: 13,103 Prev. open int.: 88,604 up 1,307					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	18.55	18.40	18.43	—0.08	72,042
Nov97	18.67	18.52	18.58	—0.03	29,982
Dec97	18.75	18.63	18.70	Unch.	19,540
Jan98	18.76	18.70	18.73	—0.01	16,351
Feb98	18.70	18.69	18.71	—0.01	6,620
Mar98	N.T.	N.T.	18.65	—0.01	3,716
Est. sales: 11,000. Prev. sales: 16,592 Prev. open int.: 158,869 off 1,031					

Stock Indexes

	High	Low	Latest	Chge	Opint
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4921.0	4792.0	4900.0	+76.0	69,836
Dec 97	4960.0	4855.0	4960.0	+75.0	7,783
Mar 98	N.T	N.T	5002.0	+75.0	1,810
Est. sales: 9,509. Prev. sales: 11,107 Prev. open int.: 79,429 up 290					
CAC 40 (MATIF) FF200 per index point					
Sep 97	2822.0	2785.0	2810.0	+38.5	44,810
Oct 97	2825.0	2801.0	2817.0	+39.0	1,368
Dec 97	2834.0	2817.0	2831.5	+37.5	1,267
Mar 98	2858.0	2851.5	2857.5	+39.0	9,580
Est. sales: 15,561. Open int.: 66,986 off 1,624.					

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Big Blue Hopes Java Will Lure People in Black

By Laurence Zuckerman
New York Times Service

NEW YORK — David Gee has a daunting mission, one that has defeated many older, more experienced executives. His challenge? Making IBM look cool.

"See this person on the wall?" He said recently, pointing to a picture hanging above his desk in Silicon Valley of a young man in a magazine advertisement sporting a black T-shirt and a goatee. "He is a PIB — a person in black. I want to make IBM exciting, relevant and interesting to people in black."

It is the people in black — the stereotypical 20-something, mostly male computer programmers who are propelling the Internet forward — who may help determine whether IBM can overcome years of missteps, outmaneuver Microsoft Corp. and once again become a pacesetter in the computer industry.

Mr. Gee, a 29-year-old native of London, is the IBM executive in charge of promoting Java, the new programming language on which so many in the computer industry are placing their hopes. He is helping to lead a campaign for the hearts and minds of software developers — a crusade that pits International Business Machines Corp., Sun Microsystems Inc., Netscape Communications Corp. and others against Microsoft.

If enough code writers become convinced that IBM has cool technology, they will use its products to write software and develop Java products of their own, transforming IBM, which has been overshadowed by Microsoft in the last decade, into one of the leaders of a new de facto industry standard.

Java was invented — and is still owned — by Sun, a longtime IBM rival. But IBM has licensed the technology and is betting its future on it, seeing Java as the foundation of a lucrative opportunity to connect businesses of all kinds to their suppliers, employees, customers and partners electronically on the Internet.

Java's industry success is far from certain — but then, so is the viability of IBM's Java strategy.

IBM now has 2,400 software developers in 25 locations on three continents working literally around the clock on improving Java — more, the company says, than Sun itself. Earlier this year, IBM, along with Sun, Netscape, Oracle Corp. and others, sponsored a Java World Tour, preaching the Java gospel in 40 cities. It has also joined those companies and others in a $100 million venture capital fund to finance Java-related start-up companies.

Yet despite the large number of resources it is devoting to establishing Java, IBM is still widely perceived in the computer industry as a second-tier technological power, valued far more for its size, wealth and influence with its huge stable of corporate customers, than for its software prowess.

Java was invented — and is still owned — by Sun, a longtime IBM rival. But IBM has licensed the technology and is betting its future on it.

"Their endorsement really matters because they can throw a lot of energy behind it," said Scott McNealy, Sun's chairman and chief executive.

But he qualified his praise for IBM. "They are kingmakers; they are not necessarily a king procreator."

And based on a sampling of programmers who attended last week's Java Internet Business Expo, a trade show at New York's Javits Center that was co-sponsored by IBM, the computer giant still has a lot of work to do to raise its Java profile.

"From what I have seen of their marketing, they are not really pushing it," said Mike Di Troia, 24, a senior program analyst at Buck Consultants, a computer services company in Secaucus, New Jersey. "They are just not out there."

So far, IBM, like other players in the industry, has only a handful of Java products on the market.

Most of IBM's developers are working feverishly to transform Java into a mature technology that can handle critical jobs for big companies.

However, IBM does sell software tools used to build Java programs and its Lotus division will soon introduce a word processor, spreadsheet and other productivity applications written in Java.

Java's great selling point is that programs created in it can run on a variety of different computers — from tiny handheld machines to the largest mainframes. It is also designed to take advantage of computer networks so that programs can be sent to a multitude of users from a central location.

Java has a natural appeal to IBM because it could breathe new life into its numerous computer lines. Mainframes and mini-computers that were destined for the junk yard a few years ago, according to industry pundits, can now be linked to networks of personal computers.

IBM plans to make money with Java by selling more of its old-style hardware and by putting its giant services division to work helping its list of prestigious customers around the world make the transition to network computing.

The company also hopes to become one of the dominant suppliers of a new breed of Java-based software that will connect disparate computers and help keep track of and maintain security for the millions of transactions that IBM is convinced will take place on the Internet.

That IBM would so strongly embrace a technology that it did not invent itself — much less own — shows how far the computer giant has fallen from the days a generation ago when the mainframe was king and IBM dictated the industry's hardware and software standards.

But the fact that IBM is willing to stake so much on another company's technology also shows how flexible and pragmatic it has become under its chief executive, Louis Gerstner Jr., who took over the company after it faltered in the early 1990s.

For companies like IBM and Apple Computer Inc., which also lost the war to control the personal computer operating system to Microsoft's Windows, Java is a chance, if not to win the next round, to at least establish a more level playing field and get back in the game of supplying PC software.

• *Recent technology articles: www.iht.com/IHT/TECH/*

APPLE: *At the Core, an Ousted and Misunderstood Hacker*

Continued from Page 11

originally cast than to the informal hacker-entrepreneurial roles that were his earliest, and perhaps best, contributions to Apple Computer.

Some recent news reports have suggested that Mr. Markkula was driven from Apple by Mr. Jobs as an act of revenge, retribution for the bitter dispute that led Mr. Jobs to himself quit Apple in 1985. But as Mr. Markkula tells it, after being the perceived power behind the throne at Apple for so long, he had already decided it was time to move on and to leave to others the struggle to revive Apple.

He does acknowledge some board mistakes over the years. One of them, he said, was the company's decision about four years ago to reject a purchase offer by IBM that was reported to be $40 a share.

Later, with Apple's stock trading well below that level, the company tried to rekindle IBM's interest. Instead, IBM acquired the software company Lotus Development in mid-1995, a move that Mr. Markkula still views as a mistake.

"IBM needed Apple's spirit," he said. "It would have been right for both companies."

Mr. Markkula describes his current relationship with Mr. Jobs as "not unfriendly," noting that even after the recent board shake-up, he sat with his old colleague for many hours at a picnic table in one of his redwood groves, where the two men discussed the future of the company they worked together to found.

Although Mr. Markkula is no longer the company's largest stockholder — that honor now goes to Prince Walid bin Talal of Saudi Arabia — he still holds several million shares. And he said he was optimistic that Mr. Jobs could help restore the value of the stock and the company.

But Mr. Markkula is now spending much of his own time in the small engineering laboratory he has set up on his estate. Since leaving Apple's board, he has taught himself to program in a new computer language known as GDL, used for computer-aided design work.

"I stay awake at night thinking about engineering problems," he said, sounding not like a boardroom executive but instead like an engineer's engineer. "I love to think about this stuff."

• *Recent technology articles: www.iht.com/IHT/TECH/*

HONG KONG: *After Blue Chips, Panic Hits China-Linked Stocks*

Continued from Page 1

Ben Kwong, head of research at Dharmala Securities.

"The risk when you get into these situations is you get into that vicious circle when the value of collateral falls, so more shares have to be sold," said Peter Bristowe, head of sales at ABN Amro Hoare Govett.

The fragility of China-linked stocks, which in recent weeks have eclipsed blue chips in local investor interest, is a new phenomenon here.

As recently as Friday, local investors stayed firmly invested in China shares while institutions stampeded out of the Hang Seng Index.

"Even if they invest in red chips and H shares, they also hold a lot of blue chips and index-linked derivatives," said Percy Au-young, head of research at DBS Securities. H shares refer to companies backed by the Chinese government and incorporated either in Hong Kong or China. "It is kind of a domino effect."

More of the same could be in store for the rest of the week. The Hang Seng futures contract for September closed at a 1.3 percent discount to the actual Hang Seng Index, and many Chinese shares are still extremely expensive despite the falls on Monday.

For instance, CNPC, the Hong Kong-listed arm of China's state oil company, fell 18.4 percent Monday, but is still trading at 247 times next year's expected earnings, after rising more than 500 percent since April 3.

Like many red chips, which still trade at an average of 53 times earnings, investors have bid CNPC higher on expectations that it would be able to buy attractively priced assets from its parent company.

Usually with red chips, those assets are not specified until well after the sale is first announced, causing investors to pile into stocks based more on hope than on firm earnings information.

Adding to the fragility of red chips is the questionable quality of their management. Most this year have consistently failed to improve operating earnings on a year-to-year basis, relying more on increasing income from share offerings and acquisitions of new businesses.

These may raise earnings on a gross basis, but the rate of profitability is often unaffected or even lower.

Many investors may have decided to sell and capture what profit they can. The Hang Seng China-Affiliated Corporations Index, which tracks red-chip stocks, is still up 97 percent in the year to date, even after falling 8.6 percent on Monday.

Markets Closed

Financial markets were closed in the United States on Monday for the Labor Day holiday.

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Herald International Tribune

Bonn Sees 3% Growth In '98, With Deficit Rise

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WORLD STOCK

Monday, Sept. 1

Amsterdam

Bangkok

Bombay

Brussels

Bonn Sees 3% Growth In '98, With Deficit Rise

Compiled by Our Staff From Dispatches

DUSSELDORF — Chancellor Helmut Kohl said Monday that Europe's largest economy would expand at a rate of up to 2.5 percent this year, accelerating to around 3 percent in 1998.

"This year, we will see growth of over 2 percent and near 2.5 percent," Mr. Kohl said at a trade conference on East German consumer goods.

"Next year's growth will certainly be near 3 percent."

The German government has previously said it expects the economy to expand by 2.5 percent this year after growth of 1.4 percent in 1996, while the nation's six main private economic institutes forecast growth of only 2.25 percent.

The Munich-based Ifo institute, one of the six major private institutes, forecasts half of Germany's expansion this year would come from export growth.

The institute forecasts a 9 percent increase in exports this year, a third of which will result from a fall in the value of the mark against the U.S. dollar and other currencies.

Separately, a member of Mr. Kohl's party said Germany's 1997 tax revenue could fall below estimates that have already been lowered because of continuing high unemployment

After a rise in unemployment in July, the 1997 deficit was likely to be "a good 20 billion" DM ($11.173 billion), up from May's official estimate of 18 billion DM, a Christian Democrat finance expert, Peter Rauen, told Die Welt.

But the Frankfurt Allgemeine Zeitung reported that Germany was making progress toward meeting the budget deficit target for European economic and monetary union .

Meanwhile, the Federal Statistics Office said next week's revisions to the country's 1996 budget deficit were in line with normal domestic practice and would not be harmonized to EU standards, as the FAZ's report suggested.

The paper said the statistics office would revise Germany's 1996 deficit to 3.4 percent of gross domestic product from a previously stated 3.8 percent, as statisticians bring their figures into line with EU standards.

This will mean the country's 1997 budget deficit could be 2.9 percent or 3.0 percent of GDP, thus meeting one of the key criteria for countries that want to participate in economic and monetary union.

Cigarette Price Rise Lifts Tabacalera Profit

Compiled by Our Staff From Dispatches

MADRID— Tabacalera SA, Spain's state-controlled tobacco company, said Monday that group profit in the first half rose 12.7 percent on rising sales and an increase in cigarette prices.

Profit reached 8.04 billion pesetas ($52.8 million) in the period, up from 7.57 billion pesetas in the same period a year earlier.

Group net sales rose 8.7 percent, to 168.66 billion pesetas in the half.

Tabacalera's profit rose in part because of "the higher volume of sales in all tobacco products, which were not affected by stockpiling prior to the end of 1996," the company said.

In past years, the expectation of tax increases in January have prompted vendors and smokers to stockpile cigarettes in December, bolstering fourth-quarter sales at the expense of the first quarter.

Tabacalera said the rise in profit came despite sales of the company's stakes in the olive oil producer Koipe SA, the sugar manufacturer Ebro and the leaf tobacco dealer Intabex, which reduced dividends but increased income.

Tabacalera, which is more than 52 percent-owned by the Spanish government and controls more than 90 percent of Spain's tobacco market, also lifted its profit with a increase in cigarette prices in March that allowed the company to recover some of the revenue lost after the government announced an increase in tobacco taxes in July, 1996.

In March, Tabacalera increased the price of its premium Virginia style cigarettes by 20 pesetas. It was the second price increase since November.

The principal operating company of the group, Tabacalera SA, earned 8.41 billion pesetas in the first half, an 11 percent rise from a year earlier.

Tabacalera shares fell 100 pesetas to 8,020 after the announcement of the earnings.

"The profit figures are in line with our expectations," said Emilio Sanchez, an analyst at BZW Securities in Madrid. "With the U.S. stock market closed today, it's not a very representative day, and Tabacalera shares could be down, because they've outperformed the rest of the market lately."

This year, the Spanish government adopted a one-time change in accounting laws, allowing companies to revalue fixed assets to take into account the effect of inflation. The process increases the total value of a company's assets, though companies must reflect much of the difference between the original value and inflation-adjusted value as depreciation costs.

Tabacalera brands account for more than 65 percent of the Spanish cigarette market, and through distribution agreements with foreign cigarette manufacturers controls an additional 25 percent.

(Bloomberg, Reuters)

Industrial Clients Boost Iberdrola

Bloomberg News

MADRID — Iberdrola SA, Spain's biggest private power company, said Monday that net income rose 1.5 percent in the first half as rising sales to industry offset stagnant sales to private consumers.

The company said first-half profit rose to 49.42 billion pesetas ($325.5 million) from 48.69 billion pesetas.

Sales in the half fell 2.1 percent to 395.73 billion pesetas, partly as a result of the price cut.

The average billing price fell 4.3 percent, because of the government cut and because of the increased proportion of sales, which went to industrial users. Those customers pay lower prices than residential customers.

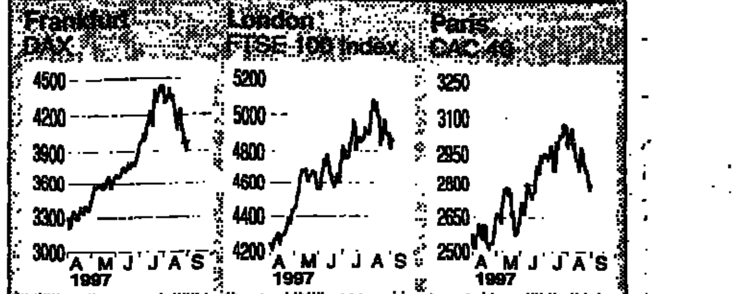
"They're about what everyone expected," said Fernando Godino, a fund manager at BBV Gestinova.

Spanish power companies have seen their profit limited by a government-imposed price cut of 3 percent, a warm winter and cool summer, which depressed demand. Spanish companies were permitted this year to revalue their assets in line with inflation, taking a one-time charge equal to the amount of the revaluation.

Iberdrola's share price rose 25 pesetas to 1,735.

Relatively low rainfall hurt earnings because it cut the amount of cheap hydroelectric power the company could produce. Hydroelectric production fell 32.8 percent.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	881.92	868.29	+1.57
Brussels	BEL-20	2,354.33	2,318.81	+1.53
Frankfurt	DAX	3,989.96	3,906.03	+2.15
Copenhagen	Stock Market	608.50	608.90	-0.07
Helsinki	HEX General	3,337.16	3,317.51	+0.59
Oslo	OBX	692.92	684.54	+1.22
London	FTSE 100	4,878.20	4,817.50	+1.26
Madrid	Stock Exchange	579.52	574.82	+0.82
Milan	MIBTEL	14339	14218	+0.85
Paris	CAC 40	2,885.84	2,770.49	+4.16
Stockholm	SX 16	3,325.17	3,271.38	+1.64
Vienna	ATX	1,345.82	1,335.90	+0.74
Zurich	SPI	3,404.57	3,378.83	+0.76

Source: Telekurs International Herald Tribune

Dollar's Momentum Stays Strong

FOREIGN EXCHANGE

Compiled by Our Staff From Dispatches

LONDON — The dollar advanced against other major currencies Monday, pursuing the gains begun late last week in calm trading, with U.S. markets closed for Labor Day.

The dollar closed in London at 1.8130 Deutsche marks, compared with a New York close Friday of 1.8085 DM.

The dollar was at 120.895 yen, compared with 120.800. The dollar climbed to 1.4927 Swiss francs from 1.4925, and to 6.1009 French francs from 6.0861.

The dollar fell to £1.6135 from £1.6205. "The dollar is continuing its gains that were prompted by Hans Tietmeyer's comments last week, dampening expectations of an early rise in German interest rates," said Michael Metcalfe, an economist from NatWest Markets.

Mr. Metcalfe said the dollar gained against the yen because "the Japanese authorities have an interest in the yen weakening since the sharp devaluation of Southeast Asian currencies so that Japan can maintain its export competitiveness."

In addition, the weakness of the Japanese economy is not helping the yen either, Mr. Metcalfe said.

Japan's monetary authorities may reluctantly allow the dollar to stay above 120 yen for a while to prevent their economy derailing and keep exports profitable, traders said Monday.

Traders were now awaiting the release on Tuesday of the August National Association of Purchasing Management's business climate index in the United States. But August jobless data, due on Friday, will be scrutinized even more closely.

(AFP, Bloomberg)

L'Oreal Profit Rises 15% With Boost by Dollar

Compiled by Our Staff From Dispatches

PARIS — The French beauty products and pharmaceutical group L'Oreal SA said Monday that first-half pretax profit rose 15 percent from a year earlier, helped by a higher dollar and earnings growth at its Synthelabo SA drugs subsidiary.

The maker of Maybelline cosmetics said first-half pretax profit was 3.56 billion francs ($583 million), up from 3.09 billion francs a year before. Sales increased 13 percent, to 34.02 billion francs.

"They're doing well because Synthelabo has been doing very well in the first few months of this year and because there is an interesting currency effect," said Antoine Colonna, analyst at Credit Lyonnais Securities

Sales of Synthelabo rose 16 percent to 2.9 billion francs in the quarter. L'Oreal holds a 56.6 percent stake in Synthelabo.

L'Oreal said it expected its full-year profit to match the increase of the first half.

L'Oreal shares rose 32 francs, or 1.5 percent, to 2,199 francs.

(AP, Bloomberg)

ICB Shipping Rejects Takeover Bid

Compiled by Our Staff From Dispatches

STOCKHOLM — The board of Swedish shipping group ICB Shipping AB said Monday that it had rejected a 3 billion Norwegian kroner ($404.7 million) takeover bid from its Norwegian rival Frontline Ltd., a move that would have created a leading tanker shipping company.

ICB's board rejected the offer, saying: "The board doesn't feel the bid reflects ICB's full value and particularly not ICB's good profitability and strong cash flow. The board sees good possibilities for ICB as an independent company."

Frontline offered three Frontline shares for each ICB share, although it said it was prepared to buy up to 25 percent of ICB's shares for 115 Swedish kronor ($14.70) apiece in cash.

Frontline said that "a combination of the two companies will lead to substantial economies of scale and benefits in chartering, operations and administration."

Cato Hellstenius, at Handelsbanken Markets in Oslo, said: "It may be a dangerous game expanding so fast. At least for one year I'm optimistic, but I'm a bit concerned about tanker rates in 1999."

Frontline's share price rose 0.3 Norwegian kroner to 36.2 kroner in Oslo, and ICB's share price rose 10 Swedish kronor to 110 kronor in Stockholm. *(Reuters, Bloomberg)*

Very briefly:

- **Renault**'s production at its Vilvoorde plant in Belgium will end next week, union officials said. Renault had been criticized for failing to negotiate with unions over the plant's future at a time of high unemployment. Meanwhile, **Fasa Renault**, the carmaker's Spanish unit, said profit rose 153 percent to 417 pesetas ($2.7 million) in the first half because of improved performance in its subsidiaries..
- **French** new-car registrations fell a larger-than-expected 29 percent to 121,595 in August, the tenth consecutive monthly decline, indicating the market still has not recovered from the end of a government sales-incentive program last year. The number of cars sold in the first eight months of this year was 1,117,673, down 22.1 percent from a year ago.]
- **Tele Danmark AS** said 1,683 employees were willing to take up an offer of early retirement as part of a drive to cut the work force by 2,000 by the end of next year.
- **Russia** will join the Paris Club of creditor nations in two weeks, First Deputy Finance Minister Alexei Kudrin told a banking conference. Russia, which reached an agreement in principle with the Paris Club in June, is seeking repayment of $37 billion in debt inherited from the Soviet Union.
- **SMH SA** shares rose 4.1 percent on optimism that the Swiss watchmaker's decision to lower its stake in its Smart car joint venture with **Daimler-Benz AG** means earnings will not be hurt by likely losses at the car unit.
- **Italian** workers' hourly wages grew at a faster-than-expected 0.9 percent pace in July from the previous month. The figures brought the average wage increase in the 12 months ended in July to an annual 4.4 percent, but few analysts forecast serious wage inflation.
- **Psion PLC** shares fell 7.6 percent on concerns that the British hand-held computer maker's inability to meet demand for its new Series 5 model would hurt profits. The company is due to announce first-half earnings Thursday.
- **RAO Norilsk Nickel**, the Russian metals producer, saw its operating profit decline 27 percent to $183 million in the first half as costs increased, said Svetlana Smirnova, analyst at United Financial Group. Net sales fell to $1.61 billion in the first half of this year from $1.62 billion.
- **Deutsche Telekom AG** said it would press ahead with plans to launch digital pay TV next month despite criticism of its pact with **Bertelsmann** and the Bavarian magnate Leo Kirch.

AFP, Bloomberg, AFX

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	166.13	-0.66	-0.40	+11.39
Regional Indexes				
Asia/Pacific	115.40	-3.80	-3.19	-6.51
Europe	179.59	+1.83	+1.03	+11.41
N. America	198.58	-1.15	-0.58	+22.85
S. America	148.49	-6.21	-4.01	+26.76
Industrial Indexes				
Capital goods	215.24	-1.18	-0.55	+25.93
Consumer goods	183.24	-0.24	-0.13	+13.51
Energy	192.70	+0.49	+0.25	+12.88
Finance	123.72	-1.86	-1.48	+6.23
Miscellaneous	170.20	-1.89	-1.10	+5.20
Raw Materials	178.88	-0.73	-0.41	+2.00
Service	154.71	-2.06	-1.31	+12.66
Utilities	154.57	-2.15	-1.37	+7.74

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Monday, Sept. 1
Prices in local currencies.
Telekurs

Markets Closed

Stock markets in Canada, Malaysia and Mexico were closed Monday for holidays.

Amsterdam
AEX index: 881.92 Previous: 868.29

	High	Low	Close	Prev.
ABN-AMRO	40.90	39.20	40.20	39.90
Aegon	153.30	150	152.20	151
Ahold	53.60	49.70	52.70	50.20
Akzo Nobel	318	314.50	316	315.20
Boon Co.	128.90	123.50	128.20	122.30
Bols Wess cva	34.30	33.40	34	34
CSM cva	94.80	92.70	94.50	94.50
Dordtsche Pet	106.80	102	105.90	103.60
DSM	195	190	193.50	191.50
Elsevier	31.40	30.70	31.40	30.80
Fortis Amev	85	80.20	84.10	82.90
Getronics	62.50	60.50	62	61.50
G-Broc cva	58.50	57	58.30	58
Hagemeyer	104.60	102	104.40	104.50
Heineken	328	320.50	324.20	320.50
Hoogovens cva	119.90	111.40	119.90	114.50
Hunt Douglas	85.70	83	83.50	85.10
ING Group	90.50	87	90.10	88.50
KLM	68.30	65.40	67	64.80
KNP BT	45.30	43.60	44.90	43.70
KPN	73	71	72.50	72.10
Nedlloyd Gp	63	60.30	62	60.20
Nutricia	63.70	60.90	62.50	63
Oce Grinten	240	235	237.40	239.10
Philips Elec	148.80	145.10	148.80	144.70
Polygram	111	105.50	105.50	106.10
Randstad Hdg	80	77	80	79.80
Robeco	190	187.10	188.30	188
Rodamco	61.10	60.20	61	60.60
Rolinco	190	188.50	190	189
Rorento	117.10	116.70	116.70	116.70
Royal Dutch	105.80	102.10	105.40	103.20
Unilever cva	419.20	409.60	418.30	411
Vendex Intl	101.50	99	100.40	101.80
VNU	43.50	42.30	43.20	42.40
Wolters Kl cva	244.90	240.10	240.20	240.60

Bangkok
SET index: 493.84 Previous: 502.23

	High	Low	Close	Prev.
Adv Info Svc	167	157	163	161
Bangkok Bk F	172	160	164	169
Krung Thai Bk	22.75	21.75	22	22.50
PTT Explor	324	318	322	322
Siam Cement F	524	504	504	524
Siam Com Bk F	86	81	81	86.50
Telecomasia	29.75	27	29	27.75
Thai Airways	40.50	39.50	40	39.50
Thai Farm Bk F	103	94.50	95	98
Utd Comm	112	108	110	107

Bombay
Sensex 30 index: 3943.67 Previous: 3876.88

	High	Low	Close	Prev.
Bajaj Auto	817	798.50	814.50	801
Hindust Lever	1374	1326.25	1370	1350.50
Hindust Petlm	489.75	475	486.75	477.25
Ind Dev Bk	101.75	98.50	101	98.75
ITC	519.50	495	518	492
Mahanagar Tel	247	235.50	243.25	239.50
Reliance Ind	344.50	331	344	329.50
State Bk India	291	278.75	290.50	285
Steel Authority	20.25	19.25	20.25	20.25
Tata Eng Loco	346.50	335	345	335

Brussels
BEL-20 index: 2354.33 Previous: 2318.81

	High	Low	Close	Prev.
Almanij	1620	1580	1615	1590
Barco Ind	7490	7200	7430	7290
BBL	8890	8650	8860	8670
CBR	3125	3015	3075	3005
Colruyt	17850	17325	17850	17550
Delhaize Lion	1730	1690	1725	1710
Electrabel	7490	7310	7440	7310
Electrafina	3445	3420	3440	3420
Fortis AG	7300	7100	7300	7300
Gevaert	3330	3190	3300	3340
GBL	5570	5450	5570	5550
Gen Banque	14075	13800	13925	13925
Kredietbank	14200	13900	14075	13825
Petrofina	13650	13200	13625	13275
Powerfin	4900	4850	4875	4875
Royale Belge	10400	10100	10175	10250
Soc Gen Belg	3350	3220	3345	3320
Solvay	2130	2075	2110	2080
Tractebel	14800	14675	14750	14800
UCB	122000	115050	121750	115900

Copenhagen
Stock index: 608.50 Previous: 608.90

	High	Low	Close	Prev.
BG Bank	372	367	369	368
Carlsberg B	350	345	346.65	344
Codan Fors	930	930	930	925
Danisco	379	371	372.50	373
Den Danske Bk	655.66	638	638	650
D/S Svendborg B	416000	408000	416000	408000
D/S 1912 B	292000	284000	290000	288000
FLS Ind B	220	204	210	215
Koh Lufthavne	735	734	735	733.16
Novo Nordisk B	706	698	702.10	695
Sophus Ber B	970	950	965	953
Tele Danmk B	367	356	362	360
Tryg Baltica	411	395	400	390
Unidanmark A	410	395	400	402.16

Frankfurt
DAX: 3989.94 Previous: 3906.03

	High	Low	Close	Prev.
AMB B	1600	1600	1600	1650
Adidas	221.90	218	220	217.50
Allianz Hdg	408	404	406.50	399.20
Altana	132	126	129	135.40
Bk Berlin	44.90	44.30	44.90	44.20
BASF	64	62.90	63.30	61.90
Bayer Hypo Bk	67.40	64.85	67.20	66
Bay.Vereinsbank	95	94.70	95	93.70
Bayer	68.37	66.90	67.15	66.41
Beiersdorf	74.70	72.90	73	72.90
Bewag	38.40	37.90	38	37.75
BMW	1290	1275	1290	1280
CKAG Colonia	163	157.50	162	165
Commerzbank	66.40	65.50	66	62.60
Daimler Benz	136.70	135.30	136.70	135
Degussa	90.50	87.20	90	88
Deutsche Bank	108.70	107.40	108.60	105.50
Deut Telekom	37	36.20	36.45	36
Dresdner Bank	73.90	72.90	73.90	71.70
Fresenius	330	323	323	325
Fresenius Med	128	126	127	125.30
Fried. Krupp	396	389	389.50	386
Gehe	114.50	110.80	113.50	110.60
Heidelbg Zmt	139	136	138.50	134.50
Henkel pfd	95	93.40	94.70	91.10
HEW	461	445	460	445
Hochtief	86	84	85.50	85
Hoechst	72.20	70.90	72.20	71.45
Karstadt	633	626	633	623
Lahmeyer	92	90.10	90.50	89.10
Linde	1230	1222	1222	1215
Lufthansa	36.20	35	35.20	36.20
MAN	505	498	505	495
Mannesmann	851	840	843	836
Metallgesellschaft	41.30	40.10	41.30	40.50
Metro	84.40	83.10	83.35	82.50
Munch Rueck R	584	560	578	535
Preussag	517	500	506.50	506.50
RWE	83.50	82.50	83.20	81.50
SAP pfd	408	402.50	408	398
Schering	178.80	177	177.80	175.70
SGL Carbon	233	229	233	224
Siemens	113.15	110.70	113.15	110.70
Springer (Axel)	1580	1559	1559	1580
Suedzucker	875	859	860	846
Thyssen	430.50	421	430.50	415
Veba	99.60	98.10	99	98
VEW	575	575	575	572
Viag	770	761	765	749.50
Volkswagen	1325.50	1315	1325.50	1295

Helsinki
HEX General index: 3337.16 Previous: 3328.45

	High	Low	Close	Prev.
Enso A	47	47	47	47.50
Huhtamaki I	215	214	214	215
Kemira	48	46.80	48	48
Kesko	69.50	69	69.50	69.10
Merita A	21.50	20.80	20.90	21.30
Metra B	153	150	153	150
Metso-Serla B	46.50	45.50	46.50	45
Neste	140	135	136.10	136
Nokia A	428	423	428	420.50
Orion-Yhtymae	176	174	175	175
Outokumpu A	87.50	86.50	87	87.50
UPM Kymmene	129	127	128	129
Valmet	79	78.50	78.60	78.60

Hong Kong
Hang Seng: 13425.459 Previous: 14135.25

	High	Low	Close	Prev.
Amoy Props	7.95	7.40	7.50	7.80
Bk East Asia	27.90	26.25	26.50	27.65
Cathay Pacific	12.75	12	12.10	12.60
Cheung Kong	83	77	78.50	82.25
CK Infrastruct	23.80	22.25	22.25	22.60
China Light	35.90	34.70	34.70	35.90
Citic Pacific	42.50	40.20	40.20	41.30
Dao Heng Bk	35.30	32.40	34.50	33
First Pacific	8.20	7	7	7.80
Hang Lung Dev	14.15	13.60	13.60	14
Hang Seng Bk	94	85	85	93.50
Henderson Inv	8.55	8.10	8.10	8.20
Henderson Ld	66	60	61	64.25
HK China Gas	15	13.90	14	14.40
HK Electric	27.15	26.80	26.95	27.15
HK Telecomm	16.55	15.20	15.30	16.20
Hopewell Hdgs	4.90	4.40	4.45	4.58
HSBC Hdgs	236	222	222	235
Hutchison Wh	66	60.50	61	64.50
Hysan Dev	22.85	21.80	21.85	22.50
Johnson El Hdg	17.90	17.50	17.90	17.40
Kerry Props	19.45	18.90	18.90	19.25
New World Dev	48.50	45.10	45.20	48.40
Oriental Press	2.77	2.58	2.58	2.67
Pearl Oriental	1.40	1.24	1.29	1.37
SHK Props.	88.50	83	83.25	88
Shun Tak Hdgs	4.50	4.35	4.35	4.38
Sino Land Co.	7.40	6.80	7.05	7.35
Sth China Post	6.25	5.90	5.90	6.20
Swire Pac A	59.75	57	57.25	59.25
Wharf Hdgs	28.05	26.60	26.80	28.05
Wheelock	16.25	15.20	15.30	16.10

Jakarta
Composite index: 485.97 Previous: 493.94

	High	Low	Close	Prev.
Astra Intl	3000	2800	3000	5400
Bk Intl Indon	875	800	850	825
Bk Negara	950	900	900	925
Gudang Garm	8225	8000	8000	8000
Indocement	3150	2800	2825	3100
Indofood	3775	3525	3600	3775
Indosat	6325	6050	6200	6000
Sampoerna HM	6200	6000	6000	6250
Semen Gresik	3200	2900	2925	3000
Telekomunikasi	2800	2675	2700	2675

Johannesburg
All Market: 7255.49 Previous: 7306.98

	High	Low	Close	Prev.
Amalgamtd Bks	30	28.50	29.65	30.45
AngloAm Coal	272	272	272	273
AngloAm-Corp	242.25	239.50	241.50	240.75
AngloAm Gold	250.50	249	250	252
AngloAm Ind	198.25	195.25	197.50	197.25
AVMIN	11.90	11.60	11.90	11.50
Barlow	55.25	54.75	55.25	55.25
C.G. Smith	24	23.50	24	23.95
De Beers	149.50	148	149.50	149.50
Driefontein	34.30	33.55	34.30	34.25
Fst Natl Bk	36.75	34.50	35	37
Gencor	12.10	11.70	11.75	11.95
GFSA	96.25	96	96	96
Imperial Hdgs	62.50	61.75	62.50	62
Ingwe Coal	24	23.15	24	23.80
Iscor	2.90	2.84	2.90	2.89
Johnnies Indl	62.25	61	62.25	61.50
Liberty Hdgs	379	379	379	380
Liberty Life	144	142.75	142.75	144.50
LibLife Strat	17.40	17.20	17.30	17.30
Minorco	98	97.25	98.75	98.75
Nampak	19.25	19	19.25	19
Nedcor	92.25	91	91	92
Rembrandt Gp	45.20	44	44.25	45.40
Richemont	63	62	62.25	63.25
Rust Platinum	79.75	79.75	79.75	79.75
SA Breweries	141.50	139.75	141.50	140.75
Samancor	35	34.75	35	35
Sasol	63.25	62.25	63	62.50
SBIC	208	198	205	210
Tiger Oats	69.50	68	69	70

London
FT-SE 100: 4878.20 Previous: 4817.50

	High	Low	Close	Prev.
Abbey Natl	8.42	8.25	8.33	8.30
Allied Domecq	4.73	4.63	4.73	4.67
Anglian Water	7.86	7.77	7.81	7.78
Argos	6.25	6.18	6.19	6.22
Asda Group	1.47	1.43	1.46	1.45
Assoc Br Foods	5.27	5.17	5.23	5.19
BAA	5.58	5.50	5.55	5.55
Barclays	14.37	13.92	14.12	14.13
Bass	8.35	8.24	8.34	8.27
BAT Ind	5.23	5.13	5.19	5.17
Bank Scotland	4.27	4.13	4.22	4.16
Blue Circle	3.91	3.36	3.87	3.87
BOC Group	10.67	10.57	10.66	10.65
Boots	8.01	7.95	8	7.99
BPB Ind	3.49	3.38	3.40	3.40
Brit Aerosp	14.62	14.45	14.60	14.44
Brit Airways	6.54	6.38	6.51	6.43
BG	2.71	2.64	2.65	2.70
Brit Land	5.94	5.77	5.93	5.74
Brit Petm	8.82	8.65	8.78	8.63
BSkyB	4.52	4.35	4.50	4.34
Brit Steel	1.75	1.72	1.74	1.73
Brit Telecom	4.48	3.94	4.04	3.98
BTR	2.25	2.11	2.24	2.18
Burmah Castrol	10.63	10.44	10.48	10.35
Burton Gp	1.25	1.23	1.24	1.24
Cable Wireless	5.42	5.25	5.40	5.41
Cadbury Schw	5.77	5.60	5.75	5.72
Carlton Comm	5.02	4.87	5	4.91
Comml Union	7.50	7.40	7.48	7.42
Compass Gp	6.13	6.03	6.03	6.15
Courtaulds	3.17	3.12	3.13	3.15
Dixons	6.72	6.58	6.72	6.51
Electrocomponents	4.63	4.60	4.60	4.62
EMI Group	5.59	5.50	5.58	5.56
Energy Group	6.30	6.23	6.28	6.26
Enterprise Oil	7.02	6.93	6.99	6.90
Fam Colonial	1.70	1.67	1.70	1.69
Gen'l Accident	9.28	9.05	9.25	9.07
GEC	3.94	3.74	3.94	3.82
GKN	12.10	11.91	12.03	11.84
Glaxo Wellcome	12.59	12.28	12.56	12.35
Granada Gp	8.14	8.05	8.12	8.12
Grand Met	5.72	5.63	5.69	5.67
GRE	2.82	2.71	2.76	2.72
Greenalls Gp	4.76	4.70	4.71	4.72
Guinness	5.52	5.43	5.50	5.47
GUS	6.31	6.23	6.28	6.27
Hays	6.21	6.12	6.21	6.15
HSBC Hldgs	18.84	17.85	18.30	18.25
ICI	10.05	9.94	10.01	9.98
Impl Tobacco	3.90	3.84	3.88	3.85
Kingfisher	7.42	7.22	7.39	7.25
Ladbroke	2.64	2.59	2.62	2.59
Land Sec	9.02	8.95	8.98	8.98
Lasmo	2.71	2.62	2.67	2.59
Legal Genl Grp	4.60	4.50	4.57	4.53
Lloyds TSB Gp	7.44	7.13	7.39	7.23
LucasVarity	1.98	1.95	1.98	1.97
Marks Spencer	6	5.84	6	5.85
MEPC	4.72	4.67	4.68	4.69
Mercury Asset	13.35	13.25	13.31	13.35
National Grid	3	2.62	2.71	2.66
Natl Power	5.73	5.60	5.73	5.68
NatWest	8	7.84	7.93	7.88
Next	7.58	7.41	7.50	7.42
Norwich Union	3.48	3.39	3.45	3.41
Orange	2.24	2.08	2.13	2.17
P&O	6.57	6.26	6.55	6.50
Pearson	7.45	7.16	7.41	7.25
Pilkington	1.46	1.42	1.44	1.46
PowerGen	7.82	7.60	7.75	7.82
Premier Farnell	5.30	5.22	5.26	5.23
Prudential	6.20	6.04	6.19	6.09
Railtrack Gp	7.79	7.68	7.79	7.73
Rank Group	3.57	3.50	3.54	3.54
Reckitt Colm	9.55	9.48	9.55	9.52
Redland	2.94	2.87	2.88	2.90
Reed Intl	5.57	5.42	5.56	5.46
Rentokil Initial	2.20	2.16	2.20	2.17
Reuters Hdgs	6.30	6.20	6.25	6.26
Rexam	3.04	2.95	2.98	2.98
RTZ reg	9.75	9.68	9.70	9.74
RMC Group	10.05	10	10.03	10.04
Rolls Royce	2.36	2.33	2.35	2.34
Royal Bk Scot	5.90	5.80	5.87	5.86
Royal & Sun All	5.14	4.97	5.08	5
Safeway	3.80	3.73	3.77	3.75
Sainsbury	4.35	4.28	4.33	4.32
Schroders	18.95	18.75	18.75	18.93
Scot Newcastle	7.31	7.22	7.26	7.24
Scot Power	4.51	4.35	4.49	4.35
Securicor	2.67	2.61	2.63	2.63
Severn Trent	8.80	8.72	8.78	8.78
Shell Transp R	4.27	4.12	4.27	4.17
Siebe	10.93	10.73	10.92	10.75
Smith Nephew	1.75	1.73	1.74	1.74
SmithKline	5.65	5.30	5.59	5.36
Smiths Ind	8.30	8.15	8.24	8.21
Sthern Elec	4.80	4.60	4.61	4.65
Stagecoach	6.82	6.73	6.82	6.82
Stand Charter	8.48	8.15	8.32	8.27
Tate & Lyle	4.11	4.08	4.10	4.10
Tesco	4.19	4.07	4.18	4.09
Thames Water	8	7.90	7.95	7.93
3I Group	4.82	4.76	4.81	4.82
TI Group	5.94	5.86	5.90	5.89
Tomkins	3	2.91	2.94	2.99
Unilever	17.24	17.03	17.89	17.09
Utd Assurance	4.35	4.25	4.29	4.28
Utd News	7.05	6.81	7.01	6.80
Utd Utilities	6.92	6.85	6.89	6.90
Vendome Lx uts	4.60	4.56	4.56	4.60
Vodafone	3.18	3.12	3.13	3.13
Whitbread	8.15	8.03	8.13	8.07
Williams Hdgs	3.58	3.52	3.56	3.49
Wolseley	4.53	4.43	4.50	4.46
WPP Group	2.84	2.75	2.82	2.77
Zeneca	19.63	19.44	19.46	19.56

Madrid
Bolsa index: 579.42 Previous: 574.82

	High	Low	Close	Prev.
Acerinox	25200	25000	25000	25070
ACESA	1820	1800	1810	1810
Aguas Barcelon	5550	5450	5520	5530
Argentaria	7760	7550	7760	7570
BBV	4040	3995	4030	4005
Banesto	1440	1425	1435	1425
Bankinter	7770	7700	7750	7730
Bco Centro Hisp	5660	5590	5660	5630
Bco Popular	34290	34010	34210	34070
Bco Santander	4295	4240	4280	4240
CEPSA	4590	4510	4545	4535
Continente	3285	3105	3105	3185
Corp Mapfre	8570	8280	8390	8400
Endesa	3125	3060	3125	3070
FECSA	1220	1205	1215	1200
Gas Natural	6830	6700	6700	6850
Iberdrola	1740	1715	1735	1710
Pryca	2875	2850	2860	2850
Repsol	6090	6020	6090	6020
Sevillana Elec	1365	1345	1365	1355
Tabacalera	8100	8020	8020	8120
Telefonica	4035	3970	4035	3950
Union Fenosa	1200	1180	1200	1180
Valenc Cement	2835	2750	2800	2805

Manila
PSE index: 1975.28 Previous: 2021.52

	High	Low	Close	Prev.
Ayala B	14.75	14	14.25	14.25
Ayala Land	15.25	14.25	14.75	15
Bk Philip Isl	117	93	93	114
C&P Homes	5	4.25	4.30	5
Manila Elec A	71	68	70	71
Metro Bank	370	335	337.50	335
Petron	4.45	4.15	4.20	4.35
PCIBank	151	130	149	150
Phil Long Dist	770	735	770	770
San Miguel B	50.50	49.50	49.50	50
SM Prime Hdg	6.30	5.90	5.90	6.30

Milan
MIB Telematico: 14339.00 Previous: 14218.00

	High	Low	Close	Prev.
Alleanza Assic	14770	14500	14730	14700
Bca Comm Ital	4545	4365	4525	4400
Bca Fideuram	6060	5950	6050	6100
Bca di Roma	1588	1550	1588	1570
Benetton	26000	25550	26000	25550
Credito Italiano	3640	3590	3625	3650
Edison	8260	8150	8260	8240
ENI	10000	9760	10000	9850
Fiat	5520	5410	5430	5420
Generali Assic	37650	37100	37450	37200
IMI	16735	16290	16710	16395
INA	2580	2535	2580	2575
Italgas	5430	5360	5410	5420
Mediaset	7790	7700	7730	7745
Mediobanca	11870	11550	11790	11490
Montedison	1085	1066	1078	1070
Olivetti	745	710	724	715
Parmalat	2790	2745	2770	2735
Pirelli	4565	4500	4520	4445
RAS	14995	14825	14950	14985
Rolo Banca	22000	21700	21850	21700
S Paolo Torino	12845	12200	12845	12300
Telecom Italia	10720	10305	10705	10480
TIM	5940	5780	5940	6100

Oslo
OBX index: 692.92 Previous: 684.54

	High	Low	Close	Prev.
Aker A	135	131	132.50	130
Bergesen Dy A	202	199	201	200
Christiania Bk	25.80	25.40	25.50	25.50
Den norske Bk	31	30.70	30.90	30.50
Elkem	137.50	134	136	133
Hafslund A	44	44	44	44
Kvaerner Asa	399	393	397	398
Norsk Hydro	416	402	411	405
Norske Skog A	280	275.50	276	277
Nycomed A	152	148.50	149	149.50
Orkla Asa A	534	529	529	529
Petlm GeoSvc	471	460	471	450
Saga Petlm A	164.50	158	164	158
Schibsted	129.50	127.50	128	127
Transocean Off	N.T.	N.T.	N.T.	710
Storebrand Asa	50	49.20	49.20	49.10

Paris
CAC-40: 2885.84 Previous: 2770.49

	High	Low	Close	Prev.
Accor	925	910	925	910
AGF	219	215.10	217.80	217
Air Liquide	929	913	923	929
Alcatel Alsth	752	744	747	744
Axa-UAP	389.90	385.10	388.10	387
Bancaire	687	669	669	669
BIC	449	431.10	444.80	439
BNP	264.50	259.10	263	259
Canal Plus	990	950	965	979
Carrefour	3798	3730	3777	3661
Casino	Susp.	Susp.	Susp.	302
CCF	314	299.10	314	300.70
Cetelem	629	613	618	613
Christian Dior	870	840	844	855
CLF-Dexia Fran	537	525	525	524
Credit Agricole	1283	1283	1283	1277
Danone	913	901	907	904
Elf-Aquitaine	697	672	685	675
Eridania BS	808	800	802	790
Eurodisney	8.60	8.55	8.55	8.60
Eurotunnel	7	6.90	7	7.05
Gen. Eaux	688	680	681	678
Havas	383.40	375	382.40	370.90
Imetal	844	838	840	848
Lafarge	405.90	394.30	404.10	392
Legrand	1098	1070	1078	1074
L'Oreal	2235	2181	2195	2167
LVMH	1293	1260	1269	1263
Michelin B	342.90	336.70	338	341
Paribas A	424.60	418	420	418.40
Pernod Ricard	289.30	285	286.60	283.50
Peugeot Cit	690	672	685	681
Pinault-Print	2646	2580	2592	2592
Promodes	2329	2228	2298	2189
Renault	154.40	152	154.30	154
Rexel	1745	1685	1700	1700
Rh-Poulenc A	230	224	227.60	222.80
Sanofi	608	584	607	583
Schneider	326.90	315	318.10	323.30
SEB	925	875	890	950
SGS Thomson	568	560	565	561
Ste Generale	763	754	762	754
Sodexho	2815	2750	2765	2745
St Gobain	838	824	831	834
Suez (Cie)	15.25	15.10	15.10	15.10
Suez Lyon Eaux	N.T.	N.T.	N.T.	611
Synthelabo	765	730	750	733
Thomson CSF	165	160.20	161.90	163.10
Total B	590	575	589	569
Usinor	107.80	103.10	104	105.30
Valeo	372	362.50	370.50	365

São Paulo
Bovespa index: 10111.01 Previous: 10609.50

	High	Low	Close	Prev.
Bradesco Pfd	10.70	9.90	10.19	10.80
Brahma Pfd	730.01	725.00	725.99	732.00
Cemig Pfd	49.00	44.80	45.50	49.00
CESP Pfd	74.00	69.99	70.00	75.00
Copel	15.80	14.40	14.60	15.00
Eletrobras	455.00	420.00	443.00	469.00
Itaubanco Pfd	610.00	595.00	597.00	618.00
Light Servicios	410.00	380.00	410.00	410.00
Lightpar	390.01	385.00	385.00	409.00
Petrobras Pfd	266.00	248.00	253.00	266.02
Paulista Luz	185.00	178.00	179.00	188.00
Sid Nacional	37.00	36.00	36.00	37.00
Souza Cruz	10.00	9.90	9.95	10.29
Telebras Pfd	129.50	119.00	123.00	128.51
Telemig	169.50	157.00	157.00	170.00
Telerj	148.00	138.00	139.00	147.00
Telesp Pfd	320.00	290.00	303.00	325.00
Unibanco	37.00	36.00	36.00	37.00
Usiminas Pfd	10.90	10.00	10.15	11.10
CVRD Pfd	25.40	23.00	24.31	25.40

Seoul
Composite index: 682.28 Previous: 704.27

	High	Low	Close	Prev.
Dacom	90000	83000	87000	90000
Daewoo Heavy	7600	7300	7320	7600
Hyundai Eng.	19200	18000	18000	19000
Kia Motors	12400	11300	12100	11800
Korea El Pwr	23800	22100	22500	23600
Korea Exch Bk	5100	4950	4950	5150
LG Semicon	39500	35100	37000	40100
Pohang Iron St	59000	57100	57900	57900
Samsung Display	46000	44600	45300	45600
Samsung Elec	71000	69200	70000	70800
Shinhan Bank	8850	8500	8600	8760
SK Telecom	499000	465000	488000	478000

Singapore
Straits Times: 1786.44 Previous: 1805.64

	High	Low	Close	Prev.
Asia Pac Brew	5.10	5	5.10	5.10
Cerebos Pac	4.28	4.08	4.28	4.08
City Devts	9.55	8.55	8.55	9.55
Cycle Carriage	9.10	8.80	8.95	8.70
Dairy Farm Int *	0.84	0.82	0.82	0.84
DBS foreign	15.80	14.50	14.80	16
DBS Land	3.88	3.58	3.62	3.88
Fraser & Neave	8.40	8	8.15	8
HK Land *	3	2.71	2.73	2.89
Jard Matheson *	7.05	6.55	6.60	7
Jard Strategic *	3.68	3.56	3.64	3.70
Keppel A	5.45	5	5	5.40
Keppel Bank	3.34	3.08	3.08	3.16
Keppel Fels	3.90	3.56	3.58	3.88
Keppel Land	3.94	3.86	3.90	3.94
OCBC foreign	11.40	10.30	10.40	11.80
OS Union Bk F	6.85	6.40	6.55	6.85
Parkway Hdgs	5.70	5.55	5.65	5.70
Sembawang	6.35	5.75	5.90	6.45
Sing Air foreign	11	10.50	10.70	11
Sing Land	6.60	6.30	6.35	6.70
Sing Press F	19.30	18.40	18.80	19.10
Sing Tech Ind	2.43	2.29	2.29	2.32
Sing Telecomm	2.24	2.16	2.17	2.21
Tat Lee Bank	2.84	2.80	2.80	2.81
Utd Industrial	1.04	1	1.01	1.03
Utd O'Sea Bk F	11.40	11.10	11.40	11.70
Wing Tai Hdgs	3.20	2.95	2.98	3.20

*: in U.S. dollars.

Stockholm
SX 16 index: 3325.17 Previous: 3271.38

	High	Low	Close	Prev.
AGA B	115.50	113.50	115	113
ABB A	116.50	114.50	116	114.50
AssiDoman	240	238	239	239
Astra A	130	125.50	130	125.50
Atlas Copco A	245.50	237.50	245.50	237.50
Autoliv	309	305	308	307
Electrolux B	563	552	556	560
Ericsson B	334	323	333	328
Hennes B	305.50	297	301	297
Incentive A	733	725	729	726
Investor B	391	384	391	383.50
MoDo B	268.50	258	268.50	260
Nordbanken	251	246	251	250
Pharm/Upjohn	272	267	272	267
Sandvik B	240	237.50	240	239.50
Scania B	217	214.50	217	216
SCA B	177	174	176.50	174.50
S-E Banken A	87	84.50	86	84.50
Skandia Fors	313	302.50	311.50	305
Skanska B	321	313	321	312.50
SKF B	217	211	216.50	213
Sparbanken A	174	169	172	171
Stora A	126.50	123.50	126.50	125
Sv Handles A	241	236	241	242
Volvo B	206	203	205	202

Sydney
All Ordinaries: 2590.80 Previous: 2592.80

	High	Low	Close	Prev.
Amcor	8.45	8.19	8.45	8.24
ANZ Bkng	9.89	9.70	9.75	9.78
BHP	17.15	16.96	17.04	17.08
Boral	4.01	3.93	4.01	3.97
Brambles Ind.	26.90	26.80	26.90	26.80
CBA	15	14.80	14.85	15.04
CC Amatil	13.80	13.29	13.56	13.88
Coles Myer	6.48	6.28	6.41	6.34
Comalco	6.94	6.87	6.94	6.80
CSR	4.91	4.76	4.88	4.82
Fosters Brew	2.62	2.57	2.62	2.57
Goodman Fld	1.95	1.93	1.95	1.95
ICI Australia	12.69	12.60	12.65	12.70
Lend Lease	29.25	29	29.05	29.35
MIM Hdgs	1.65	1.58	1.58	1.63
Nat Aust Bank	18.90	18.75	18.89	18.90
Nat Mutual Hdg	2	1.96	1.99	2.02
News Corp	6.18	6.10	6.17	6.13
Pacific Dunlop	3.52	3.45	3.48	3.50
Pioneer Int'l	4.54	4.45	4.50	4.58
Pub Broadcast	8	7.95	7.95	8
Rio Tinto	20.26	20	20.12	20.11
St George Bank	8.05	7.95	8.04	8.04
WMC	6.95	6.85	6.94	6.90
Westpac Bkng	7.90	7.76	7.89	7.89
Woodside Pet	11.07	10.86	11.06	10.90
Woolworths	4.16	4.10	4.15	4.16

Taipei
Stock Market index: 9504.99 Previous: 9827.49

	High	Low	Close	Prev.
Cathay Life Ins	142	139	139	142
Chang Hwa Bk	112	108	109	112.50
Chiao Tung Bk	91.50	86	86	98
China Develpmt	134	125	126.50	129.50
China Steel	29.70	28.80	28.80	29.90
First Bank	113	110	110.50	112
Formosa Plastic	63	61.50	61.50	62.50
Hua Nan Bk	121	117	117.50	121
Intl Comm Bk	58	56	56	57.50
Nan Ya Plastics	75	73	73	75
Shin Kong Life	92.50	87	87	93.50
Taiwan Semi	163	150	151	156
Tatung	47.50	45	46.90	45.60
Utd Micro Elec	131	120	122.50	131
Utd World Chin	64.50	63	63	65

Tokyo
Nikkei 225: 17974.30 Previous: 18229.42

	High	Low	Close	Prev.
Ajinomoto	1110	1090	1110	1100
All Nippon Air	708	701	701	708
Amway	3250	3190	3220	3180
Asahi Bank	873	857	866	874
Asahi Chem	633	618	624	628
Asahi Glass	917	892	900	917
Bk Tokyo Mitsu	2190	2120	2130	2190
Bk Yokohama	514	511	514	512
Bridgestone	2770	2670	2700	2670
Canon	3400	3300	3320	3330
Chubu Elec	2030	2010	2010	2020
Chugoku Elec	1960	1950	1960	1950
Dai Nipp Print	2540	2430	2450	2520
Daiei	808	799	800	824
Dai-Ichi Kang	1410	1360	1380	1400
Daiwa Bank	628	598	607	635
Daiwa House	1410	1370	1380	1390
Daiwa Sec	776	749	756	760
DDI	6290a	6200a	6250a	6300a
Denso	2630	2560	2580	2600
East Japan Ry	5400a	5350a	5370a	5500a
Eisai	2280	2210	2230	2290
Fanuc	4620	4530	4550	4620
Fuji Bank	1470	1420	1420	1470
Fuji Photo	4650	4450	4510	4640
Fujitsu	1420	1350	1350	1440
Hachijuni Bk	1150	1140	1150	1150
Hitachi	1100	1010	1030	1110
Honda Motor	3810	3640	3640	3720
IBJ	1670	1610	1610	1650
IHI	368	360	368	368
Itochu	495	486	488	497
Ito-Yokado	6510	6420	6430	6500
JAL	508	484	488	503
Japan Tobacco	9710a	9350a	9470a	9690a
Jusco	3190	3050	3080	3220
Kajima	630	612	619	634
Kansai Elec	2250	2220	2240	2250
Kao	1780	1670	1700	1780
Kawasaki Hvy	473	468	471	471
Kawa Steel	295	288	291	299
Kinki Nipp Ry	683	680	683	679
Kirin Brewery	990	970	974	977
Kobe Steel	164	153	157	165
Komatsu	754	689	707	747
Kubota	488	470	474	486
Kyocera	7540	7410	7450	7600
Kyushu Elec	1980	1950	1970	1960
LTCB	595	563	563	597
Marubeni	437	429	432	437
Marui	1910	1880	1900	1910
Matsu Comm	3980	3890	3900	3930
Matsu Elec Ind	2220	2160	2180	2220
Matsu Elec Wk	1290	1240	1260	1300
Mitsubishi	1190	1170	1180	1190
Mitsubishi Ch	318	305	311	315
Mitsubishi El	560	508	508	553
Mitsubishi Est	1690	1610	1630	1690
Mitsubishi Hvy	788	776	781	799
Mitsubishi Mat	695	687	687	700
Mitsubishi Tr	1700	1650	1680	1690
Mitsui	978	963	974	984
Mitsui Fudosn	1400	1320	1330	1400
Mitsui Trust	694	659	669	693
Murata Mfg	4890	4840	4840	4940
NEC	1350	1280	1290	1350
Nikko Sec	2000	1950	1950	1990
Nikon	584	565	566	549
Nintendo	10000	10000	10000	9900
Nipp Express	785	754	763	794
Nippon Oil	518	497	497	539
Nippon Steel	306	298	303	306
Nissan Motor	766	725	732	778
NKK	191	185	189	192
Nomura Sec	1580	1530	1540	1600
NTT	1120b	1090b	1090b	1130b
NTT Data	5340b	5190b	5210b	5350b
Oji Paper	607	601	604	610
Osaka Gas	284	273	277	276
Ricoh	1660	1610	1630	1630
Rohm	12200	12100	12100	12300
Sakura Bk	715	685	686	710
Sankyo	3790	3710	3730	3660
Sanwa Bank	1510	1460	1470	1500
Sanyo Elec	432	425	430	430
Secom	8570	8350	8350	8570
Seibu Rwy	5500	5220	5500	5250
Sekisui Chem	1020	993	1000	1020
Sekisui House	1150	1120	1130	1140
Seven-Eleven	8620	8500	8580	8620
Sharp	1190	1130	1140	1210
Shikoku El Pwr	1960	1930	1950	1950
Shimizu	642	611	625	633
Shin-etsu Ch	3070	2980	3020	3080
Shiseido	1910	1870	1870	1970
Shizuoka Bk	1250	1240	1240	1250
Softbank	5300	5000	5280	4900
Sony	10500	10300	10300	10500
Sumitomo	992	965	976	1000
Sumitomo Bk	1780	1720	1720	1780
Sumit Chem	477	465	472	472
Sumitomo Elec	1800	1770	1780	1820
Sumit Metal	280	272	278	280
Sumit Trust	1170	1140	1150	1170
Taisho Pharm	2940	2880	2910	2950
Takeda Chem	3220	3150	3180	3210
TDK	9300	9070	9150	9260
Tohoku El Pwr	1980	1950	1970	1960
Tokai Bank	1050	1030	1040	1050
Tokio Marine	1400	1380	1390	1380
Tokyo El Pwr	2300	2270	2280	2300
Tokyo Electron	6480	6290	6338	6550
Tokyo Gas	292	287	289	290
Tokyu Corp.	635	615	621	635
Tonen	1110	1100	1100	1110
Toppan Print	1740	1690	1710	1730
Toray Ind	797	761	765	800
Toshiba	670	650	653	666
Tostem	2480	2470	2480	2510
Toyo Trust	970	950	960	980
Toyota Motor	3180	3060	3080	3150
Yamanouchi	2920	2860	2870	2880

a: x 100; b: x 1,000

Vienna
ATX index: 1345.82 Previous: 1335.90

	High	Low	Close	Prev.
Boehler-Uddeh	1009.50	996	1003	994
Creditanst Pfd	640	618.05	634.75	619.90
EA-Generali	3087.90	2995	3042	2985
EVN	1550	1518.20	1531.70	1515
Flughafen Wien	495.50	490.25	494	490
OMV	1742	1675	1733.25	1674
Oest Elektriz	868	861.80	865	861.80
VA Stahl	549.60	532	548.50	528
VA Tech	2385	2339.90	2373	2324.50
Wienerberg Bau	2530	2466	2518	2460

Wellington
NZSE-40 index: 2446.36 Previous: 2454.21

	High	Low	Close	Prev.
Air N Zealand B	4.23	4.10	4.15	4.23
Brierly Invt	1.35	1.32	1.32	1.34
Carter Holt ord	3.26	3.23	3.24	3.24
Fletch Ch Bldg	4.38	4.36	4.37	4.38
Fletch Ch Eny	5.60	5.52	5.56	5.52
Fletch Ch Forst	1.83	1.79	1.80	1.84
Fletch Ch Paper	3.15	3.03	3.04	3.16
Lion Nathan	3.94	3.92	3.92	3.95
Telecom NZ	7.73	7.70	7.72	7.72
Wilson Horton	N.T.	N.T.	N.T.	11.80

Zurich
SPI index: 3404.57 Previous: 3378.83

	High	Low	Close	Prev.
ABB B	2215	2170	2180	2193
Adecco B	525	509	525	507
Alusuisse R	1300	1275	1285	1280
Ares-Serono B	2350	2280	2350	2220
Atel R	N.T.	N.T.	N.T.	842
Baer Hdg B	2120	2095	2100	2100
Baloise Hdg R	3930	3810	3900	3870
BK Vision	1042	1027	1032	1030
Ciba Spec Chem	134.50	129.75	134	128.50
Clariant R	1016	975	1010	972
Crd Suisse Gp R	181.75	178	180	178.75
Elektrowatt B	539	535	535	537
Ems-Chemie	6815	6745	6780	6810
ESEC Hdg	4350	4290	4350	4300
Holderbank B	1275	1231	1240	1245
Liechtenst LB B	584	577	584	580
Nestle R	1768	1734	1764	1730
Novartis R	2155	2111	2117	2108
Oerlikn Bueh R	179	172	177.25	172
Pargesa Hld B	1735	1720	1735	1750
PharmVisn B	864	852	864	848
Richemont A	1987	1930	1930	2000
Pirelli PC	320	315	315	320
Roche Hdg PC	12890	12600	12810	12550
SBC R	367.50	358.50	360.50	358.50
Schindler PC	1885	1805	1880	1880
SGS B	2800	2660	2690	2690
SMH B	865	845	850	831
Sulzer R	1074	1041	1051	1043
Swiss Reins R	1996	1963	1990	1976
SAir Group R	1806	1770	1781	1763
UBS B	1495	1477	1492	1475
Winterthur R	1313	1290	1299	1290
Zurich Assur R	553	540	541	540

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Australia Drops Plans To Soften Media Law

SYDNEY — P... in Australia's ... would have allo... Kerry Packer ... fax Ltd., have ... government said M... "Cross-m... put on the back ... higher fr... reform and ... man for Comm... Richard Alston ... A report on ... Nine network ... hopes of taking ... Christmas ... cabinet at this ... ister John How... to put the issue ... the back burn...

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Mr. Howard's ... cabinet that ... would be ... position and the ... Democrats ... would clog the ... ate.

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Herald Tribune

Australia Drops Plans To Soften Media Law

Compiled by Our Staff From Dispatches

SYDNEY — Plans for a change in Australia's media laws, which would have allowed the magnate Kerry Packer to take over John Fairfax Ltd., have been abandoned, the government said Monday.

"Cross-media changes have been put on the back burner to focus on higher priorities such as jobs, tax reform and native title," a spokesman for Communications Minister Richard Alston said.

A report on Mr. Packer's Channel Nine network said the company's hopes of taking over John Fairfax by Christmas had been dashed by the cabinet at the urging of Prime Minister John Howard, who had decided to put the issue "well and truly" on the back burner.

The government had been expected to announce changes in its tight limits on cross-ownership between television and newspapers in capital city markets.

Mr. Packer, who also owns a string of magazines, had positioned himself to acquire Fairfax if Canberra relaxed its 10-year-old cross-media ownership laws, which bar him from increasing a 15 percent stake in Fairfax without selling his television station.

Fairfax owns three of Australia's four most influential papers: the Sydney Morning Herald, The Age of Melbourne and the Australian Financial Review.

Mr. Howard reportedly told the cabinet that any attempt at change would be used by the Labor opposition and the centrist Australian Democrats as a distraction and would clog the business of the Senate.

The government decision coincided with a report Monday in the Australian Financial Review saying that Rupert Murdoch's News Corp. was on a collision course over the government's proposals to change the media rules.

The decision came before a meeting scheduled for late Tuesday between government backbenchers and Communications Minister Richard Alston, who had been expected to take plans for new laws to the communications committee.

Changes in the foreign ownership rules had also been expected to be relaxed to allow News Corp., which publishes two-thirds of Australia's newspapers, to increase its stake in the Seven Network Ltd. television stations.

But the chairman and managing director of News Corp.'s Australian operations, Lachlan Murdoch, reportedly told the opposition communications spokesman, Chris Schacht, that the changes would not be sufficient to compensate for Mr. Packer's strengthened interests.

Mr. Alston said two months ago that legislation to change the cross-media ownership rules should be in place by the end of the year.

But he disputed at the time claims that Mr. Packer would be the main beneficiary of any changes and said a group based in Melbourne was prepared to bid for the Fairfax newspaper group.

The government has been warned by many groups against sanctioning a takeover of Fairfax by Mr. Packer while he owns Channel Nine.

Eighty prominent Australians representing a broad gamut of political opinion warned last month against a further concentration of media ownership and claimed that too much of the media is already owned by too few people.

Separately, Standard & Poor's Corp. said it expected Australia's major companies in the printing industry to sustain average to above-average credit quality in the medium term.

The ratings agency said in a report that most of the major companies benefited from strong market positions, strong cash flows from core businesses and sound financial positions. *(AFP, Reuters)*

Kimimasa Mayama/Reuters

WHEEL OF FORTUNES — Tokyo traders plotting strategy.

Asia's Banks Follow The Money Into Japan

By Miki Tanikawa
Special to the Herald Tribune

TOKYO — In the past two years, 14 Western banks have withdrawn or reduced their operations in Japan, deterred by high costs and onerous regulations.

But since 1991, 10 major Asian banks have entered the country, bringing the total to 32, a sign of the growing integration of the Japanese economy with the rest of the Pacific region.

Banking tends to follow commerce, analysts said, and Japan's trade with the rest of Asia topped 33 trillion yen ($273.18 billion) in 1996, compared with 20 trillion in trade between Japan and the United States, according to the Ministry of Finance.

"I am not surprised by the trend at all," said the chief manager of a major Western bank in Tokyo, "because Japan's affiliation with Asia — its trade flows, capital flows and business investments — has grown quite rapidly, at a much higher pace than with the U.S. and Europe. The banking industry generally follows trends in capital and trade flows."

Those Western banks that remain interested in Japan generally focus on operations in which their technological expertise is valuable, such as derivatives trading or risk management. These sectors require highly trained employees but not in large numbers.

Mariko Noda, economist with Sanwa Research Institute in Tokyo, points out that the activity of Asian banks is a mirror image of a few years ago. "Japanese banks once poured into Asian countries to follow Japanese companies that went into Asia."

She added: "As more Asian companies assume business operations in Japan, financial institutions from the same country are gearing up to provide services for them. Banks and the corporations have moved abroad as a set."

Many Chinese companies, for instance, are setting up Japanese operations, said Masataka Iida, deputy branch manager of Bank of Communication of China. His bank upgraded its Tokyo operation from a representative office to a branch in 1995.

Taek-Myung Kwon, deputy general-manager at Korea Exchange Bank in Tokyo, said his bank mainly serves Korean business interests and the resident Korean community, the biggest foreign national group in Japan.

Similarly, one of the most recent Asian entrants, Metropolitan Bank & Trust Co., the largest Philippine bank, opened a branch in Tokyo last year because the bank perceived growing demand in trade-related financial transactions and in handling remittances from Filipinos working in Japan.

More Asian banks are on their way. China Trust Commercial Bank, a Taiwanese bank, and Dong Hwa Bank from Korea are among the banks that are considering raising the status of their Tokyo representative offices to branches by the end of the year.

Following the growth in banking, Asian brokerage houses also are attracted to Tokyo's financial sector. In the past three years, eight Asian securities firms, six of which are Korean, have obtained licenses to trade in securities in Japan, including Daewoo Securities Co., the biggest brokerage company in Korea.

Jong-Tae Kim, Daewoo Securities' Tokyo branch manager, said that reflects the possibility that the Korean government will soon lift a major barrier to Japanese investment. Japanese investors currently must pay a hefty capital gains tax of 27.5 percent in the Korean market.

"On one hand, you have a country awash in cash looking for places to invest," said Mr. Kim. "On the other hand, you have a country hungry for capital."

Korea First Bank Struggles to Survive

'Self-Rescue' Plan Offers Staff Cuts And Subsidiary Sales to Trim Debt

Compiled by Our Staff From Dispatches

SEOUL — The troubled Korea First Bank will sell seven subsidiaries, including KFB Securities, to try to extricate itself from a sea of bad loans, the bank's president, Ryoo Shee-Yul, said Monday.

The six other subsidiaries to be sold off dealt with leasing and venture capital, mutual savings funds, trusts, investment and futures, he said.

He also said the bank's work force would be trimmed from the current 8,300 to 6,540 staff by 2001 and its 414 branches reduced by 40.

Mr. Ryoo denied speculation that Korea First Bank's headquarters building would be included in the sale, saying the actual financial improvement to the bank was outweighed by the credit uncertainty it would create.

But he said two more floors would be rented out, bringing the number of floors rented to five.

The self-rescue plan, along with his own resignation, would be submitted to the central Bank of Korea, pending consent of the Korea First Bank trade union, he said.

The Bank of Korea last week announced it was extending a special soft-loan package to Korea First Bank to help tide it over financial difficulties resulting from rising nonperforming loans linked to a spate of corporate bankruptcies.

Separately, South Korean commercial banks will tighten the conditions under which companies can qualify to receive insolvency protection, the Korea Federation of Banks said.

The federation said banks would now require companies seeking protection to submit documents relinquishing managerial control and pledging manpower cuts.

The tighter conditions were agreed on at a meeting of representatives from 35 local commercial banks, the federation statement said.

Companies should also submit documents giving creditors the right to dispose of assets held by owners or top management, it said.

Life insurance companies will also join an alliance of financial institutions set up in April this year to prevent major companies from going under, it said.

Only commercial banks and merchant banking corporations have so far been members of the anti-insolvency pact.

The banks also agreed to limit the grace period for loan repayments to no more than two months. Previously, banks have been given an extendable two-month grace period.

The federation said the stricter conditions for insolvency protection were preferable to scrapping the system altogether.

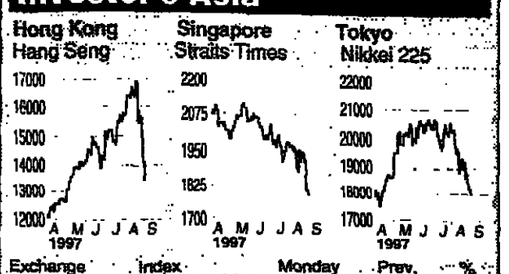
"At this stage, the banks agreed that scrapping the system is undesirable," the federation said.

Analysts saw the bankers' decision as putting further pressure on the beleaguered Kia Group, the latest beneficiary of the bail-out pact, which has so far stubbornly resisted plans to restructure its business.

Top Kia management has refused to step aside, and aggressive unions have stood firm against wage and job reductions.

But some bank officials said Kia was exempted from the new rules under the anti-bankruptcy pact, which was introduced in April to prevent major corporations from going under. *(AFP, Reuters)*

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,425.65	14,135.25	-5.02
Singapore	Straits Times	1,786.44	1,805.84	-1.08
Sydney	All Ordinaries	2,590.80	2,593.00	-0.08
Tokyo	Nikkei 225	17,974.30	18,229.42	-1.40
Kuala Lumpur	Composite	Closed	804.40	
Bangkok	SET	493.84	502.23	-1.67
Seoul	Composite Index	682.20	695.37	-1.89
Taipei	Stock Market Index	9,504.99	9,756.47	-2.58
Manila	PSE	1,975.28	2,021.52	-2.29
Jakarta	Composite Index	485.97	493.96	-1.62
Wellington	NZSE-40	2,446.26	2,456.21	-0.41
Bombay	Sensitive Index	3,943.67	3,876.68	+1.74

Source: Telekurs — International Herald Tribune

Very briefly:

• **Toyota Motor Corp.**, Japan's largest automaker, will buy 34 percent of USK Corp., a home contractor, paying 6.5 billion yen ($55 million) for 6.37 million USK shares and an unspecified amount for another 1.07 million shares.

• **Tuan Sing Holdings Ltd.**'s first-half profit rose 2 percent to 15.2 million Singapore dollars ($10 million), or 1.24 cents a share, from 14.86 million, or 1.21 cents a share a year ago.

• **Foreign investments** on Indian stock exchanges fell in August to their lowest level in three months. The Securities and Exchange Board of India said net foreign investments last month totaled $139.4 million, 49 percent less than the $273.5 million in July.

• **First Pacific Co.**, an Asian conglomerate, posted a net profit of $110.2 million for the six months ending June 30, up from $90.8 million a year earlier. Revenue totaled $3.77 billion, up from $3.18 billion.

• **Mitsui Fudosan Co.**, Japan's second-largest real estate developer, will sell land near Tokyo Tower at a loss of 14.73 billion yen. Mitsui Fudosan said it would receive 26.54 billion yen for selling land to **Chuo Trust & Banking Co.**

• **City Developments Ltd.**'s stock fell by one Singapore dollar to 8.55 dollars, its lowest closing price since Sept. 7, 1995, after the government increased the cost of developing land in Singapore. *Bloomberg, AFP, Reuters*

Watanabe Talks Up Japanese Economy

Compiled by Our Staff From Dispatches

TOKYO — The effects of April's sales tax rise are still lingering on Japan's economy, but the economy has not entered a vicious cycle, Deputy Trade Minister Osamu Watanabe said Monday.

Economic problems sweeping much of Southeast Asia will put further pressure on the Japanese economy, with exports to the region particularly in question, economists said.

"The negative impact of recent Asian currency falls on the Japanese economy is emerging as Japan's exports to ASEAN countries slow — and are expected to continue slowing," said Susumu Kato, chief economist at BZW Securities.

Toshio Sumitani, an economist at Tokyo Research Institute, said that the negative impact of the regional downturn on the Japanese economy would not be "negligible as Japan's exports to the region account for more than 20 percent of the total."

Mr. Watanabe also said he was watching Japan's trade surplus very closely, but he added that Japan would not return to its previous trade structure where the surplus was a large percentage of gross domestic product.

He added that companies had entered a period of inventory adjustment.

But Watanabe said he had not changed his view about the economy.

"Car dealerships have good plans for promoting sales of new vehicles from the autumn," he said. "Bonus payments have risen year on year, although not greatly. Looking at the economy as a whole, it has not entered a vicious cycle."

Mr. Watanabe said he still saw the effects of the sales tax rise in April, when the government raised the consumption tax to 5 percent from 3 percent and discontinued income tax rebates.

He said the recent industrial output data in which the outlook for August was revised to a fall of 0.9 percent from a preliminary estimate of a 0.5 percent drop was due to "inventory adjustment, taking advantage of the summer holidays after active production between April and June, which was seen particularly in the auto sector."

Japan's domestic automobile sales fell in August as the April tax increase continued to keep customers away from car showrooms and other consumer spending.

Car sales fell 10.3 percent to 260,210 vehicles in August from the same month a year earlier, the Japan Automobile Dealers Association said.

August was the fifth straight monthly decline in auto sales and follows a 10.1 percent drop in July.

"People are not spending money at the moment," said Christopher Redl, an auto industry analyst at ING Baring Securities (Japan) Ltd.

Toyota and Nissan Motor Co., Japan's two largest automakers, said they were betting that new models to roll out before March would bring customers back.

Nissan said it expected sales to be down about 5 percent in September. Toyota said it should be fully recovered to last year's levels. *(Bloomberg, Reuters, Bridge News)*

OUTLOOK: *Economists Lower Growth Forecasts for Several Southeast Asian Nations Hit by Currency Turmoil*

Continued from Page 11

mid-1999 and end-1999, respectively.]

In Indonesia, where short-term interest rates have been driven to about 30 percent, Sofyan Wanandi, chairman of the privately-held Gemala Group, said that GDP growth could fall to less than 5 percent this year, from nearly 8 percent in 1996.

"Growth at this level, though taken as fairly high in many other countries, would be painful for a large developing nation like Indonesia with a huge labor force," said Sjahrir, an economist with the Indonesian Chamber of Commerce and Industry in Jakarta.

"Asia's growth is investment-led," said David Roche, managing director of Independent Strategy, a global investment research consultancy based in London. "It will suffer from falling investment."

He said that the most worrying aspect was the outlook for interest rates.

"Many Asian governments thought that floating their currencies and devaluing would yield lower interest rates," he said. "But foreign money is not flowing back. This leaves little room for Asia to reduce interest rates much without additional currency depreciation."

■ Thai Banks Assess Bad Debts

Nonperforming loans at Thailand's commercial banks range from a low of 4.6 percent at First Bangkok City Bank PCL to a high of 12 percent at Bangkok Metropolitan Bank PCL, analysts who have assessed audited mid-year financial statements filed with the Stock Exchange of Thailand said, Bloomberg News reported from Bangkok.

Nonperforming loans are those on which no interest or principal has been paid in at least six months. If the loans have adequate collateral, a loan is not classified as nonperforming unless payment has not been received for at least a year.

Bangkok Bank PCL, the largest of the country's 15 commercial banks, and Thai Danu Bank PCL, the fourth smallest, each claimed nonperforming loans of 5 percent.

The stated NPL rates are actually much lower than the real level of bad loans, said Pipat Ronakiat, an analyst for Adkinson Securities PCL. That is because the Bank of Thailand in January told lenders that they could restructure loans to strengthen the look of their balance sheets.

Even with restructurings, three banks had nonperforming loans of more than 10 percent as of June 30. They were Bangkok Metropolitan, with 12 percent, Krung Thai Bank PCL, 10.1 percent, and Thai Military Bank PCL, 10 percent, Mr. Pipat said.

Standard & Poor's estimates that nonperforming loans made by Thai banks and other finance companies will peak at about 25 percent next year.

Other bank NPLs are, according to a consensus of analysts contacted by Bloomberg News: Thai Farmers Bank PCL, about 7.4 percent; Siam Commercial Bank PCL, 6.8 percent; Bank of Ayudhya PCL, 6.0 percent; Siam City Bank PCL, 7.2 percent; Bank of Asia PCL, 7.2 percent; Nakornthon Bank PCL, 8.5 percent; Laem Thong Bank PCL, 9 percent.

Among the country's six largest nonbank finance firms, NPLs ranged from 6.5 percent and 10.4 percent of the loans they have extended, analysts said.

The lowest rate of nonperforming loans among nonbank finance companies — 6.5 percent — was held by state-controlled Krungthai Thanakit PCL, said Suraphol Thipvilai, an analyst for Vickers Ballas & Co. The highest rate was Asia Credit's 10.4 percent.

Among the other big nonbank lenders, Dhana Siam Finance & Securities PCL's was 9.7 percent, Nava Finance & Securities PCL 7.6 percent, Phatra Thanakit PCL 7.4 percent and National Finance & Securities 7.2 percent.

Krungthai, Phatra, Dhana Siam, National and Nava are the five nonbank lenders the government said were the healthiest among the country's 91 nonbank lenders. Since June, the government has ordered 58 of those companies shut because of insolvency.

JOHN VINOCUR
Senior Correspondent

EUROPE

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Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

First six months 1997

excellent results:

net profit increases by 28% to U.S.$ 1,031 million

shareholders' equity increases by 28% to U.S.$ 23.1 billion

(in millions of dollars, except for amounts per share)	First six months 1997	First six months 1996	% change
Result before taxation: *)			
- insurance operations	739	617	19.8
- banking operations	740	541	36.8
Net profit	1,031	804	28.3
Net profit per ordinary share	1.35	1.13	20.3
Interim dividend per ordinary share	0.53	0.44	20.5
	30 June 1997	31 December 1996	
Total assets **)	288,728	247,682	16.6
Shareholders' equity **)	23,139	18,011	28.5

*) Results U.S.$ 1.00 = NLG 1.884 (average exchange rate)
**) Assets and shareholders' equity: U.S.$ 1.00 = NLG 1.964 (exchange rate on 30 June 1997)

- In the first six months of 1997 business volume, results, shareholders' equity and total assets showed continued strong growth. All the Group's activities contributed to this growth.
- Total income from the insurance operations rose by 28.0% to U.S.$ 11.6 billion. Total income from the banking operations increased by 23.8% to U.S.$ 3.6 billion.
- The result from the insurance operations rose due to an increase of 12.9% in life insurance (to U.S.$ 352 million), of 42.2% in non-life insurance (to U.S.$ 141 million) and of 19.3% in insurance-general (to U.S.$ 246 million).
- In the banking operations, interest result increased by 16.3% to U.S.$ 2,095 million, commission income by 27.6% to U.S.$ 873 million and the result from financial transactions by 68.0% to U.S.$ 476 million.
- Provisions have been made for future expenditure for a total amount of U.S.$ 171 million.
- In the first six months of 1997 the item Value adjustments to receivables of the banking operations amounted to U.S.$ 212 million and the addition to the new Fund for general banking risks was U.S.$ 48 million. In the first six months of 1996, the Value adjustments to receivables of the banking operations amounted to U.S.$ 305 million.
- The assets under management of ING Asset Management increased by 11.8% from U.S.$ 125 billion at the end of 1996 to U.S.$ 140 billion at the end of June 1997. The performance has been favourable.

ING GROUP

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Herald Tribune INTERNATIONAL
SPORTS
TUESDAY, SEPTEMBER 2, 1997

WORLD ROUNDUP

Games Canceled

Sports events in Britain are to be called off Saturday to mark the funeral of Diana, Princess of Wales, officials said Monday.

Scottish football chiefs were locked in talks with FIFA, the governing body of world soccer, and the British government to decide whether the World Cup qualifier against Belarus in Aberdeen should go ahead on the day of the funeral.

English soccer's Premier League is inactive Saturday before England's World Cup qualifier against Moldova the following Wednesday, but matches in the lower division will be called off Saturday. So will rugby union league matches and horse race meetings.

Princess Anne, sister of Diana's former husband, Prince Charles, will not attend the International Olympic Committee congress in Lausanne, Switzerland, that will vote this week on the site of the 2004 Olympics. Anne has been a member since 1988. *(Reuters)*

Olympic Trampolining

OLYMPICS The IOC gave its approval Monday for the addition of whitewater canoeing, women's water polo and trampolining to the 2000 Sydney Olympics.

Whitewater kayaking, or canoe slalom, had been dropped from the program last year on grounds that the course was too expensive.

Among those who had put pressure on Sydney to reinstate canoe slalom was President Jacques Chirac of France. France won a gold medal in the event in Atlanta.

Trampolining will be included for the first time. It will take place during a rest day of gymnastics.

FINA, the governing body of world swimming, has resisted adding women's water polo and must approve the decision at its congress at the world swimming championships in Perth, Australia, in January. Australia, the world champion, has lobbied for the inclusion of the sport.

The IOC had previously approved two new sports for Sydney: triathlon and tae kwon do. *(AP)*

Bomb in Athens

OLYMPICS A leftist group claimed responsibility Monday for a firebomb attack that damaged the entrance to the offices of the Greek Olympic Committee in Athens.

A police official said an anonymous caller claiming to represent the group, known as the Struggle, told an Athens newspaper that it carried out the attack late Sunday to oppose Athens's bid for the 2004 Summer Olympics. No one was injured by the bomb — three gas canisters and a fuse. The fire burned the door to the offices. *(AP)*

A Rose by Any Other Name

BASEBALL Pete Rose Jr., the son of Pete Rose, baseball's all-time hit leader, made his major league debut Monday in Cincinnati and got a hit in the second inning.

Petey, as he is known, is 27. He started at third base for the Reds, the team with which his father made his name. With Pete Rose watching from the first row next to the home dugout, Petey struck out swinging against Kevin Appier, the Kansas City pitcher, in his first at-bat. But in his next at-bat, Petey singled off the glove of first baseman Jeff King. He raised his fist, but didn't look at his father. The crowd chanted: "Pete! Pete! Pete!"

Petey wore his father's No. 14. He went to the plate with one of his father's black Mizuno bats, a gift he's been saving for this occasion since 1986. He imitated his father's batting crouch for the first pitch, then went into his normal stance. *(AP)*

Seles and Agassi Rise To 'Former Lives'

By Robin Finn
New York Times Service

NEW YORK — Been there, done that, won that. And there's no time like the present to do it again.

Monica Seles and Andre Agassi, both former U.S. Open champions, are convinced that their stars are finally on the rise again and are tired of talking about how much more intrepid they were in their self-described "former lives."

Back then Seles was unstabbed and fearless, and Agassi was balancing Grand Slam titles with celebrity. Now

U.S. OPEN TENNIS

both are trying to get on with the business of reasserting, and reinventing, themselves on the Grand Slam front.

Sunday, the second-seeded Seles and the unseeded Agassi punched in for their assignments at the Arthur Ashe Stadium and reclaimed a level of competitiveness that left their opponents drained, bedraggled and wishing they had caught the two revivalists on an off day.

Though Seles allowed the ninth-seeded Mary Pierce to dictate the power plays in their opening set, the two-time U.S. Open champion turned testy in the second. Up went the volume of her grunts, up went the velocity of her serves, and out went Pierce, 1-6, 6-2, 6-2.

"Once she's on a roll, she doesn't let up," said Pierce, who admitted that the hints of vintage Seles — the forehands jackhammered down the line, the nasty angles carved by her backhands — were daunting. "Over all, she's not as aggressive as she was before, but she still hits amazing shots."

Seles conceded that she does not have the sting that took her to the No. 1 ranking and brought her eight Grand Slam titles while she was still a teenager. Back then she was on automatic pilot and unafraid of her destination; these days, after the 1993 attack that changed her life and effectively cut her career in two, she does not have the luxury of thoughtlessness.

"I pretty much wasn't thinking," Seles said of her early years, when she terrorized opponents with her two-fisted shots and single-minded ambition. "I don't think I would have started thinking if somebody wouldn't have stabbed me in the back sitting on the tennis court during a match. I still believe I have the same mindset, but once somebody does that, they take your feeling of security away.

Obviously the level I played was very different at that point, but that's the level I'll hopefully get back, and maybe even better."

Agassi has not yet set his sights on being better than he was before, but knowing he won the U.S. Open while unseeded in 1994 has convinced him he can reprise that feat this year.

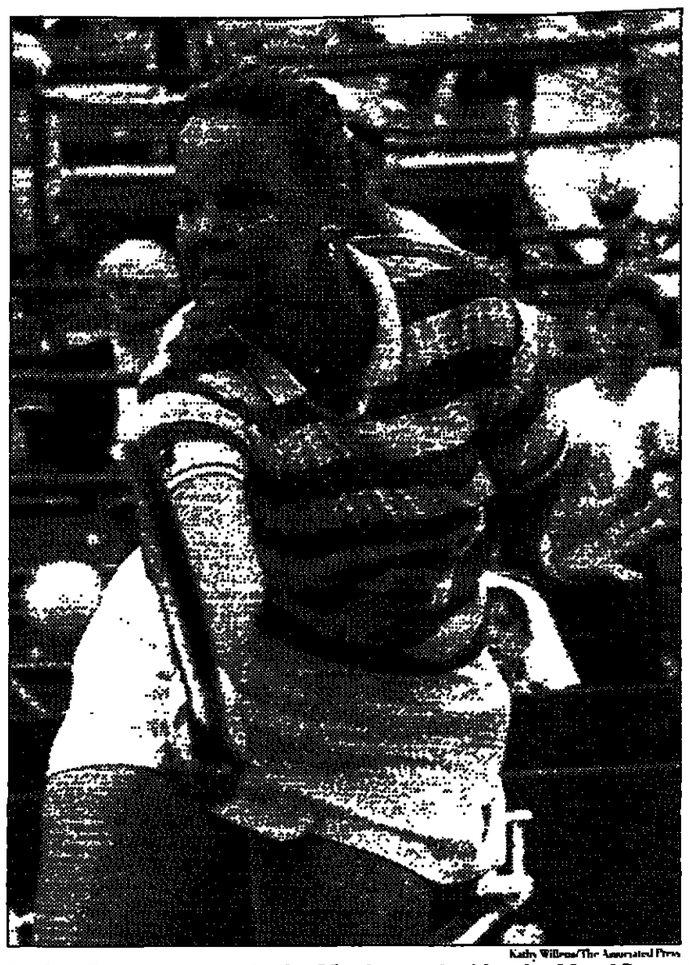
Sunday, he roared past the Australian Mark Woodforde, who confessed to being frightened by the quality of Agassi's returns. After completing his 6-2, 6-2, 6-4 rout, Agassi proclaimed himself back in the grip of the tennis gods he regularly defies.

"The fact is, I'm extreme in what I do, and my priorities, and when something shifts, my intensity does with it," Agassi said. "I'm trying to give all to everything in my life, and it doesn't seem to do anything but drain you, so I've responded by focusing my attention intensely at different times."

Though no seeded men were knocked from the running Sunday, two of them took the long route into the round of 16. After blowing his two-sets-to-none lead over the persistent Argentine Hernan Gumy, the seventh-seeded Sergi Bruguera of Spain needed three hours but survived with a 6-1, 6-4, 5-7, 3-6, 6-4 victory.

Michael Chang, seeded second, advanced against outclassed Sargis Sargsian of Armenia, 6-1, 6-3, 7-5, and will take a 4-0 record against Cedric Pioline of France into their fourth-round matchup.

And the 10th-seeded Marcelo Rios of Chile, who is using the U.S. Open like his own marathon training session, won his second consecutive five-setter and reached the round of 16 for the first time. Rios popped out his sixth ace at match point and, helped by 71 unforced errors from a cramping Tommy Haas of Germany, advanced, 6-4, 3-6, 6-3, 1-6, 6-1.



Kathy Willens/The Associated Press

Lindsay Davenport concentrating Monday on a backhand to Magui Serna.

Before this tournament began, Rios's sponsor, Nike, provided him with a custom-made pair of shoes to match his clothing line.

Unfortunately, the custom-made shoes left him with a badly irritated tendon on top of his right foot. He survived a five-setter in the second round against Kenneth Carlsen of Denmark and went back to his old footwear, but he could only practice briefly on Saturday and received treatment throughout the match Sunday. Afterward, he complained of numbness in his lower right leg.

"He can't push off with his right foot on his serve," said Larry Stefanki, his coach. "The good news is he toughed something out." Rios, one of the most gifted shotmakers on tour, has a reputation for folding when adversity strikes, but he has now won seven five-set matches in a row.

•

Agassi wore a black ribbon on his pink shirt to pay his respects to Diana, Princess of Wales, and to her companion, Dodi al Fayed, who were killed in an automobile accident in Paris early Sunday. Several years ago, Fayed was romantically linked to Brooke Shields, who is now Agassi's wife. A moment of silence was observed in Arthur Ashe Stadium before Agassi's match.

Hingis Wins And Faces Her Doubles Partner

Compiled by Our Staff From Dispatches

NEW YORK — Martina Hingis, the World No. 1, beat 40th-rated Florencia Labat 6-0, 6-2 on Monday as four seeded women moved into the U.S. Open quarter-finals with straight-set victories.

The results mean two doubles tandems will be opponents in singles quarter-finals.

Hingis will face her doubles partner Arantxa Sanchez Vicario of Spain. The No. 10 seed beat Rachel McQuillan of Australia 6-1, 6-2.

"We play each other often," Hingis said: "At the French Open, it was the same. It doesn't make a difference. You are maybe a little better friends, but you still want to win."

Jana Novotna, the No. 3 seed, beat Mary Joe Fernandez, the No. 12 seed, 7-5, 6-4. Novotna's doubles partner Lindsay Davenport, the No. 6 seed, crushed Magui Serna, an unseeded Spaniard, 6-0, 6-3.

"It's strange because we more or less know each other so well," Novotna said. "We will go after the weaknesses. It doesn't bother me."

Davenport who needed only 22 minutes to zip through the first set, breaking Serna, who is 18, three times while pounding out 13 winners. The second set took 32 minutes as Serna calmed her nerves and held serve three times.

"I don't think you have to be 15 to do well on the tour," Davenport said. "If I'm playing well, I can definitely win this tournament."

"In the past couple years, you always hear, 'Well are you ready to win a Grand Slam? When is the next American-born player going to win'," she said. "I maybe let the talk get to me a little bit."

Greg Rusedski of Britain became the first man to reach the quarterfinals, ousting Daniel Vacek of the Czech Republic, 7-6 (7-2), 6-2, 6-2, in 99 minutes.

Rusedski blasted 16 aces past Vacek, and won the match with a service winner after an hour and 39 minutes.

(AP, AFP, Reuters)

Stan Honda/Agence France-Presse

The Expos' Vladimir Guerrero trying to beat out a ground ball, with Yankees catcher Joe Girardi in pursuit. Guerrero was thrown out at first.

Red Hot White Sox Brush Aside Astros

The Associated Press

The Chicago White Sox warmed up for their visit to Cleveland by beating the Houston Astros, 3-1, at home in interleague play.

The victory Sunday gave Chicago a sweep of the three-game series.

The White Sox, who are four games behind the Indians in the American League Central Division, start a three-game series Friday in Cleveland and

BASEBALL ROUNDUP

then return to Chicago for three games against the Milwaukee Brewers, who are a half-game ahead of them in the division.

Albert Belle drove in two runs for Chicago on Sunday to reach 100 runs batted in for the sixth straight season.

Brewers 3, Pirates 2 In Milwaukee, pinch hitter Jeff Huson hit a one-out run-scoring single with the bases loaded in the ninth.

Milwaukee picked up pitcher Pete Harnisch from the Mets, one day after he was dropped from New York's roster.

"It gets us an experienced arm for the next 30 days," said Sal Bando, the Brewers' general manager.

The Pirates, meanwhile, acquired shortstop Shawon Dunston from the Chicago Cubs for a player to be named later.

Yankees 3, Expos 2 Mariano Rivera escaped a bases-loaded jam in the eighth to help Andy Pettitte (16-7) win and host New York avoid being swept by Montreal. During pregame ceremonies, the Yankees retired Don Mattingly's No.23.

With the bases loaded, Rivera, who had blown his last two saves, struck out pinch hitter Darrin Fletcher for his 40th save in 48 chances.

Mets 4, Orioles 1 Rick Reed (11-8) allowed four hits in seven innings as visiting New York beat Baltimore.

Bernard Gilkey and Butch Huskey homered for the Mets.

Cardinals 5, Royals 4 Willie McGee's infield single enabled Royce Clayton to hustle home with the go-ahead run as St. Louis scored five times in the seventh in Kansas City and won the rubber game in the rematch of 1985 World Series rivals.

McGee, the only man in the game who played in that series — won by the Royals — also starred Friday night when his bases-loaded triple beat Kansas City, 9-7.

Twins 8, Reds 6 In Minneapolis, Marty Cordova ended a 1-for-26 slump with a pair of run-scoring doubles to help Brad Radke (18-7) win for just the second time in five starts.

Mariners 3, Dodgers 1 In Los Angeles, Dan Wilson singled home the go-ahead run in the 10th for Seattle.

Ken Griffey hit his major league-leading 44th home run in the first.

Padres 5, Rangers 3 In San Diego, Wally Joyner went 3-for-4 and Ken Caminiti hit a two-run single in a four-run third.

Rockies 10, Athletics 4 In Denver, Larry Walker hit his National League-leading 39th and 40th home runs. Walker went 3-for-4 as Colorado won its sixth straight.

Angels 7, Giants 4 Angelo Encarnacion, who entered the game without a hit in the American League, connected for a three-run homer and added an run-scoring single as Anaheim won in San Francisco.

Braves 7, Red Sox 3 Atlanta's Andruw Jones hit the 10th grand slam in the NL this season, a league record, as the Braves swept the Red Sox in Boston.

Tom Glavine retired 18 consecutive batters from the second inning until the eighth, when Mo Vaughn hit his second homer.

In games reported in later editions, Monday:

Marlins 8, Blue Jays 3 In Toronto, rookie Livan Hernandez improved to 9-0 as Florida completed a three-game sweep.

Indians 9, Cubs 5 In Cleveland, Charles Nagy pitched seven innings and Matt Williams extended his hitting streak to a career-high 17 games with two run-scoring singles.

During the game, the Indians acquired leadoff hitter Bip Roberts from Kansas City for a minor-league pitcher. Cleveland made the deal because Marquis Grissom has been unable to provide consistency in the leadoff spot of the Indians' batting order.

Tigers 2, Phillies 1 In Detroit, Justin Thompson outdueled Mark Leiter for his first victory in four starts, and Deivi Cruz had three hits for the Tigers.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	85	48	.639	—
New York	79	55	.590	6½
Boston	67	70	.489	20
Toronto	65	70	.481	21
Detroit	63	72	.467	23

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	70	62	.530	—
Milwaukee	68	67	.504	3
Chicago	68	68	.500	4
Minnesota	56	78	.418	15
Kansas City	55	78	.414	15½

WEST DIVISION

	W	L	Pct.	GB
Seattle	75	62	.547	—
Anaheim	74	63	.540	1
Texas	64	73	.467	11
Oakland	53	84	.387	22

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	85	51	.625	—
Florida	80	55	.593	4½
New York	73	62	.541	11½
Montreal	67	68	.496	17½
Philadelphia	50	82	.379	33

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	70	66	.515	—
Pittsburgh	68	69	.496	2½
St. Louis	63	73	.463	7
Cincinnati	59	75	.440	10
Chicago	55	82	.401	15½

WEST DIVISION

	W	L	Pct.	GB
Los Angeles	78	60	.565	—
San Francisco	75	62	.547	2½
Colorado	68	70	.493	10
San Diego	65	73	.471	13

SUNDAY'S LINESCORES

INTERLEAGUE

Florida 310 010 003—8 10 0
Toronto 100 100 001—3 9 1
L.Hernandez, Powell (6), Cook (9), Nen (9) and Zaun; W.Williams, Janzen (8) and O'Brien. W—L. Hernandez, 9-8. L—W. Williams, 7-13. HRs—Florida, Sheffield (16), Toronto, Cruz Jr. (21).

Philadelphia 000 001 000—1 7 1
Detroit 000 200 00x—2 7 0
M.Leiter, Karp (8) and Parent; Ju.Thompson, Brocail (8), To.Jones (9) and Casanova. W—Ju.Thompson, 12-10. L—M. Leiter, 9-14. Sv—To.Jones (25).

Chicago (NL) 000 001 121—5 13 0
Cleveland 220 030 01x—9 11 1
Batista, D. Stevens (5), R. Tatis (8) and Houston; Nagy, Judett (8), Assenmacher (8) and S. Alomar. W—Nagy, 13-9. L—Batista, 0-3. Sv—Assenmacher (3). HRs—Chicago, D. Clark (5). Cleveland, Grissom (10).

New York (NL) 102 100 000—4 8 0
Baltimore 000 001 000—1 6 1
R.Reed, Rojas (8), Jo.Franco (9) and Pratt; Key, Rhodes (7), A.Benitez (9) and Hoiles. W—R. Reed, 11-8. L—Key, 14-8. Sv—Jo.Franco (33). HRs—New York, Gilkey (14), Huskey (17). Baltimore, Surhoff (16).

Cincinati 030 001 101—6 12 0
Minnesota 000 304 01x—8 11 0
G.White, Graves (6), P. A.Martinez (6), Sullivan (6) and Fordyce; Radke, Swindell (7), Trombley (7), Guardado (8), Aguilera (9) and Steinbach. W—Radke, 18-7. L—G. White, 2-2. Sv—Aguilera (22). HRs—Cincinnati, Stynes (3); W. Greene (20).

Montreal 000 000 020—2 9 0
New York (AL) 101 000 10x—3 8 1
Mi.Johnson, Bennett (7), Kline (8) and Widger, Fletcher (8); Pettitte, Nelson (8), Stanton (8), M. Rivera (8) and Girardi. W—Pettitte, 16-7. L—Mi.Johnson, 1-2. Sv—M. Rivera (40). HRs—New York, Be.Williams (18).

Pittsburgh 000 002 000—2 7 0
Milwaukee 000 220 001—3 11 0
Schmidt, Christiansen (8), M. Wilkins (8) and Kendall; Eldred, Davis (6), Wickman (6), Da.Jones (9) and Levis. W—Da.Jones, 6-5. L—M. Wilkins, 8-4. HR—M. Ju.Franco (6).

St. Louis 000 000 500—5 9 0
Kansas City 020 001 010—4 8 1
Osborne, C. King (7), Eckersley (9) and Difelice; Rusch, Olson (7), Pichardo (8), J. Montgomery (9) and Mi.Sweeney. W—Osborne, 3-6. L—Olson, 1-2. Sv—Eckersley (32). HRs—K.C. Palmer (19), Y.Benitez (6)

Houston 000 000 100—1 7 0
Chicago (AL) 001 020 00x—3 9 0
Reynolds, Hudek (7), T. Martin (8) and Pena; Ausmus (9); Baldwin, T.Castillo (7), Foulke (8), Karchner (9) and Fabregas. W—Baldwin, 11-13. L—Reynolds, 6-9. Sv—Karchner (12).

Oakland 002 010 100—4 10 2
Colorado 002 170 00x—10 13 0
Oquist, Wengert (5), D. Johnson (5), Kubinski (8) and Ga.Williams, Mayne (7); R.Bailey, Holmes (5), Leskanic (8), DeJean (9) and Ja.Reed. W—Holmes 6-2. L—Oquist 2-5. HRs—Oakland, Stairs 2 (25). Colorado, L. Walker 2 (40).

Texas 100 020 000—3 9 1
San Diego 004 010 00x—5 12 1
Burkett, W. Heredia (5), Whiteside (6) and I. Rodriguez; Hitchcock, Ti.Worrell (7), Hoffman (9) and Flaherty. W—Hitchcock 16-8. L—Burkett 7-11. Sv—Hoffman (32). HR—Texas, Buford (7).

Seattle 100 000 000 2—3 6 0
Los Angeles 000 000 001 0—1 3 1
(10 innings); Mayer, Timlin (8), Slocumb (10), Ayala (10) and Da.Wilson; Candiotti, To.Worrell (9), Radinsky (10), Hall (10) and Piazza. W—Timlin 4-3. L—To.Worrell 2-6. Sv—Ayala (7). HRs—Seattle, Griffey Jr. (44). Los Angeles, Karros (26).

Anaheim 010 330 000—7 9 0
San Francisco 002 010 100—4 6 2
Da.May, James (6), Holtz (7), Percival (9) and Encarnacion; Alvarez, D. Henry (5), Tavarez (6), Mutholland (8) and B. Johnson. W—Da.May 2-1. L—Alvarez 3-2. Sv—Percival (23). HRs—Anaheim, Encarnacion (11). San Francisco, Mueller (7), B. Johnson (8).

Atlanta 041 001 100—7 13 0
Boston 200 000 010—3 6 2
Glavine, Wohlers (9) and J. Lopez; Avery, Brandenburg (4), Wakefield (6), Corsi (8), Gordon (9) and Hasselman. W—Glavine 12-6. L—Avery 6-6. HRs—Atlanta, A. Jones (15), Lockhart (4). Boston, Mi.Vaughn 2 (30).

FOOTBALL

NFL STANDINGS

AMERICAN CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
Miami	1	0	0	1.000	16	10
New England	1	0	0	1.000	41	7
N.Y. Jets	1	0	0	1.000	41	3
Buffalo	0	1	0	.000	13	34
Indianapolis	0	1	0	.000	10	16
Cincinnati	1	0	0	1.000	24	21
Jacksonville	1	0	0	1.000	28	27
Tennessee	1	0	0	1.000	24	21
Baltimore	*0*	*1*	*0*	*.000*	*27*	*28*
Pittsburgh	0	1	0	.000	7	37

WEST

	W	L	T	Pct.	PF	PA
Denver	1	0	0	1.000	19	3
Kansas City	0	1	0	.000	3	19
Oakland	0	1	0	.000	21	24
San Diego	0	1	0	.000	7	41
Seattle	0	1	0	.000	3	41

NATIONAL CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
Dallas	1	0	0	1.000	37	7
N.Y. Giants	1	0	0	1.000	31	17
Washington	1	0	0	1.000	24	10
Arizona	0	1	0	.000	21	24
Philadelphia	0	1	0	.000	17	31

CENTRAL

	W	L	T	Pct.	PF	PA
Detroit	1	0	0	1.000	28	17
Minnesota	1	0	0	1.000	34	13
Tampa Bay	1	0	0	1.000	13	6
Chicago	0	0	0	.000	0	0
Green Bay	0	0	0	.000	0	0

WEST

	W	L	T	Pct.	PF	PA
St. Louis	1	0	0	1.000	38	24
Atlanta	0	1	0	.000	17	28
Carolina	0	1	0	.000	10	24
New Orleans	0	1	0	.000	24	38
San Francisco	0	1	0	.000	6	13

SUNDAY'S RESULTS

Cincinnati 24, Arizona 21
Detroit 28, Atlanta 17
Dallas 37, Pittsburgh 7
Miami 16, Indianapolis 10
Minnesota 34, Buffalo 13
St. Louis 38, New Orleans 24
Tennessee 24, Oakland 21, OT
New York Giants 31, Philadelphia 17
New England 41, San Diego 7
Jacksonville 28, Baltimore 27
Denver 19, Kansas 3
New York Jets 41, Seattle 3
Tampa Bay 13, San Francisco 6
Washington 24, Carolina 10

THE AP TOP 25

The Top Twenty Five teams in The Associated Press college football poll, with first-place votes in parentheses, records through Aug. 30, total points based on 25 points for a first place vote through one point for a 25th place vote and previous ranking:

	Record	Pts	Pv
1. Penn St. (23)	0-0	1,616	1
2. Florida (14)	1-0	1,543	2
3. Tennessee (7)	1-0	1,523	5
4. Washington (9)	0-0	1,502	4
5. Florida St. (6)	0-0	1,494	3
6. Nebraska (4)	1-0	1,434	6
7. North Carolina (4)	0-0	1,335	7
8. Colorado (3)	0-0	1,323	8
9. Ohio St.	1-0	1,149	9
10. LSU	0-0	1,098	10
11. Notre Dame	0-0	1,051	11
12. Texas	0-0	999	12
13. Miami	1-0	887	14
14. Michigan	0-0	820	15
15. Alabama	1-0	783	16
16. Auburn	0-0	619	17
17. Stanford	0-0	561	18
18. Clemson	0-0	417	20
19. Brigham Young	0-0	411	19
20. Iowa	0-0	374	21
21. Kansas St.	0-0	245	22
tie. Northwestern	1-0	245	24
23. Southern Cal	0-0	216	23
24. Colorado St.	1-0	197	—
25. Michigan St.	0-0	162	25

Others receiving votes: Syracuse 146, Virginia Tech 141, Arizona St. 113, N. Carolina St. 87, Texas A&M 71, Washington St. 69, East Carolina 27, Virginia 26, Arizona 21, Georgia 20, West Virginia 19, South Carolina 10, Southern Miss. 8, Rice 3, Utah 2, Georgia Tech 1, San Diego St. 1, Wisconsin 1.

CFL STANDINGS

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
Toronto	7	2	0	14	288	173
Montreal	7	3	0	14	261	292
Winnipeg	2	8	0	4	239	301
Hamilton	1	8	0	2	200	264

WESTERN DIVISION

	W	L	T	PF	PA	Pts.
Edmonton	7	2	0	14	268	212
British Columbia	6	4	0	12	304	274
Calgary	4	5	0	8	253	226
Saskatchewan	4	6	0	8	206	277

Sunday's Game

Winnipeg 43, Saskatchewan 12

GOLF

MILWAUKEE OPEN

Final scores and earnings Sunday of $1.3 million Greater Milwaukee Open, played on 6,738-yard, par-71 Brown Deer Park Golf Club in Brown Deer, Wis.:

Scott Hoch, U.S.	70-66-66-66—268
Loren Roberts, U.S.	67-69-67-66—269
David Sutherland, U.S.	70-65-65-69—269
Tom Pernice Jr., U.S.	68-69-64-69—270
Clarence Rose, U.S.	67-66-71-67—271
Lee Rinker, U.S.	68-69-66-68—271
Fulton Allem, S. Africa	67-69-64-71—271
Ronnie Black, U.S.	70-68-70-64—272
Frank Lickliter, U.S.	67-71-68-66—272
Bill Glasson, U.S.	66-71-68-67—272
Jerry Kelly, U.S.	71-66-66-69—272

WORLD GOLF RANKINGS

1. Tiger Woods, U.S., 11.22 points average
2. Greg Norman, Australia, 11.04
3. Ernie Els, South Africa, 9.83
4. Nick Price, Zimbabwe, 9.48
5. Colin Montgomerie, Britain, 9.24
6. Tom Lehman, U.S., 8.65
7. Phil Mickelson, U.S., 8.33
8. Masashi Ozaki, Japan, 8.16
9. Mark O'Meara, U.S., 7.67
10. Davis Love III, U.S., 7.59
11. Justin Leonard, U.S., 6.90
12. Scott Hoch, U.S., 6.65
13. Fred Couples, U.S., 6.64
14. Steve Elkington, Australia, 6.63
15. Nick Faldo, Britain, 6.45

SOCCER

SPANISH FIRST DIVISION

Tenerife 0 Deportivo La Coruna 0
Barcelona 3 Real Sociedad 0

ITALIAN FIRST DIVISION

Sampdoria 2, Vicenza 1

MAJOR LEAGUE SOCCER

Dallas 4, Colorado 1
D.C. 2, Kansas City 0
STANDINGS: Eastern Conference: D.C. 48 points, Tampa Bay 39, Columbus 32, New England 28, NY-NJ 25. Western Conference: Kansas City 43 points, Colorado 35, Dallas 33, Los Angeles 24, San Jose 24

TENNIS

U.S. OPEN

SUNDAY'S RESULTS

WOMEN'S SINGLES

FOURTH ROUND

Irina Spirlea (11), Romania, def. Amanda Coetzer (5), South Africa, 7-6 (7-4), 6-4.

WOMEN'S DOUBLES

THIRD ROUND

Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands (6), def. Annabel Ellwood and Kristine Kunce, Australia, 6-0, 6-4.

MEN'S SINGLES

THIRD ROUND

Marcelo Rios (10), Chile, def. Tommy Haas, Germany, 6-4, 3-6, 6-3, 1-6, 6-1.

Andre Agassi, U.S., def. Mark Woodforde, Australia, 6-2, 6-2, 6-4.

Michael Chang (2), U.S., def. Sargis Sargsian, Armenia 6-1, 6-3, 7-5

Sergi Bruguera (7), Spain, def. Hernan Gumy, Argentina, 6-1, 6-4, 5-7, 3-6, 6-4.

Magnus Larsson, Sweden, def. Fernando Meligeni, Brazil, 6-2, 6-4, 6-3

Wayne Ferreira, South Africa, def. Justin Gimelstob, U.S., 5-7, 7-6 (7-3), 6-3, 6-0.

MEN'S DOUBLES

THIRD ROUND

John-Laffnie de Jager and Robbie Koenig, South Africa, def. Dave Randall and Jack Waite, U.S., 6-2, 3-6, 6-2.

Jiri Novak and David Pikl, Czech Republic, def. Trevor Kronemann, U.S., and David Macpherson, Australia (14), 6-4, 7-5.

Goran Ivanisevic, Cro., and Cyril Suk, Czech R., def. Martin Damm, Czech R., and Andrei Olhovskiy, Rus. (7), 6-4, 6-2.

Wayne Black, Zimbabwe, and Jim Grabb, U.S., def. Grant Connell and Daniel Nestor, Canada (15), 7-6 (7-5), 6-1

MONDAY'S RESULTS

WOMEN'S SINGLES

FOURTH ROUND

Lindsay Davenport (6), U.S., def. Magui Serna, Spain, 6-0, 6-3.

Jana Novotna (3), Czech Republic, def. Mary Joe Fernandez (12), U.S., 7-5, 6-4.

Arantxa Sanchez Vicario (10), Spain, def. Rachel McQuillan, Australia, 6-1, 6-2

Martina Hingis (1), Switzerland, def. Florencia Labat, Argentina, 6-0, 6-2

WOMEN'S DOUBLES

THIRD ROUND

Ruxandra Dragomir, Romania, and Iva Majoli, Croatia (16), def. Larisa Neiland, Latvia, and Helena Sukova, Czech Republic (5), 5-2, retired.

Nicole Arendt, U.S., and Manon Bollegraf, Netherlands (4), def. Amy Frazier and Kimberly Po, U.S., (14), 6-4, 6-2.

MEN'S SINGLES

FOURTH ROUND

Greg Rusedski, Britain, def. Daniel Vacek, Czech Republic, 7-6 (7-2), 6-2, 6-2.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CLEVELAND—Acquired OF Bip Roberts from Kansas City for RHP Roland de la Maza.

MINNESOTA—Traded OF Darrin Jackson to Milwaukee Brewers for player to be named.

NATIONAL LEAGUE

CHICAGO—Traded SS Shawon Dunston to Pittsburgh Pirates for player to be named.

HOUSTON—Bought contract of C Randy Knorr from New Orleans, AA, and put him 15-day disabled list.

NEW YORK—Designated RHP Pete Harnisch for assignment and traded him to Milwaukee for OF Danny Moore. Activated RHP Paul Wilson from 60-day disabled list and optioned him to St. Lucie, FSL.

PITTSBURGH—Put SS Kevin Polcovich on 15-day disabled list. Recalled INF Lou Collier from Calgary, PCL.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO—Signed DE Bruce Smith to 6-year contract extension.

TAMPA BAY—Released WR Nilaea Carter.

COLLEGE

MISSISSIPPI STATE—Suspended basketball G Bart Hyche for first two games of 1997-98 regular season for being arrested for DUI.

ST. JOSEPH'S, PA.—Announced sophomore basketball G Arthur Dawe is academically ineligible for fall semester

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Hingis Wins And Faces Her Doubles Partner

Vermeil's Luck: Saints March In

By T.J. Simers
Los Angeles Times Service

ST. LOUIS — Dick Vermeil, the St. Louis Rams new coach, came across the field before the game and gave a big bear hug to Mike Ditka, the New Orleans Saints new coach, obviously thankful to return to coaching in the National Football League against the hapless likes of the Saints after a 14-year layoff.

The lights were turned off, a laser-light show began and, as the introductions started, Vermeil ran 30 yards full speed through a line of waving cheerleaders and leaped into the arms of a St. Louis Rams tackle, Fred Miller.

Sixty years old and kids will be kids as Vermeil returned to the sideline for the first time since Jan. 2, 1983. Three hours later he was shaking Ditka's hand after a 38-24 party in the Trans World Dome before 64,575.

Doused by water bottles by his appreciative players, he then moved into the Ram locker room.

"Give me a football," Vermeil said, and then he was handing it off to Lawrence Phillips, who had rushed for a career-high 125 yards and scored three touchdowns. "I've been to jail with him, been behind closed doors with him and this is a good guy."

Three cheers went up for Phillips, and Vermeil, who flew to Nebraska earlier this year to fetch Phillips from jail after the player served 23 days for a probation violation, added, "It's all up to this guy now on the field and off."

Another cheer followed, and Phillips moved in front of his teammates.

"I couldn't have done it without you guys," Phillips said. Although the Rams had just overcome a 17-14 halftime deficit to beat the lowly Saints, they talked as if this was comparable to winning a Super Bowl.

Down the hall, Ditka took his place in front of the microphones.

"Well, I'd like to say I haven't been here before, but I'm afraid I have," said Ditka, who left the game four years ago after losing eight of his last nine games with the Chicago Bears. "That was an old-fashioned butt-whippin'. You all saw it. I saw it, too, and there's not much else I can say about it — we just got hammered."

He will probably be saying that a lot this year, given the Saints' level of talent, and if anyone chose to begin their season by watching New Orleans, they had to leave feeling cheated: No Ditka explosions. No spitting, kicking or obscene gestures.

"We were completely in a daze half the time," said Ditka, who benched his starting quarterback, Heath Shuler, to start the fourth quarter.

The Saints had been charged with 10 penalties, turned the ball over five times and had been outgained by St. Louis, 403 yards to 241.

Ditka tried to be different, calling a flea-flicker on the second play of scrimmage for a 39-yard gain and then again on the team's second possession for an interception. And he had his kickoff team run a fake reverse, allowing Eric Guliford to post a team-record 102-yard return for a score.

But then it "came down to just football," Vermeil said, and the Saints were overmatched.

"They throw a three-yard pass to a tight end who runs 60 yards over everybody in the country," said Ditka, who also had his streak of nine season-opening victories broken. "Everybody had a shot at him, but nobody tackled him."

Ernie Conwell, a tight end and one of the young, talented players the Rams have been able to stockpile because of good drafting position after so many bad seasons, actually went 46 yards back and forth across the field, shredding the Saint defense to give St. Louis a 21-17 lead midway through the third quarter.

Rookie Troy Davis fumbled the ensuing kickoff, and two plays later Phillips went left 25 yards for his second touchdown and the rout was on. Phillips scored from five yards out on St. Louis' next possession.

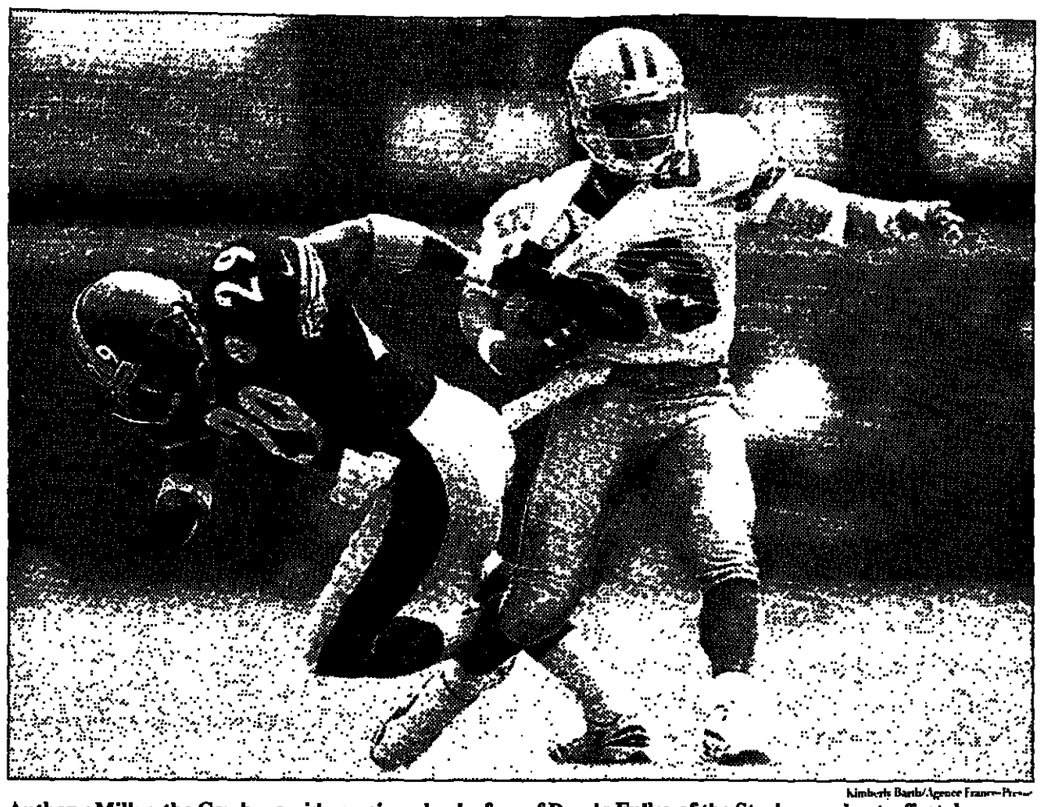
"I think the whole team wanted to come out and perform for Coach Vermeil," said Phillips, who became downright chatty after recording the third 100-yard rushing game of his two-year career.

Phillips, while bothered by a sore knee recently, has had much more serious problems. He was arrested for assaulting his girlfriend while still at the University of Nebraska, arrested again on drunk driving and speeding charges in Los Angeles and arrested again in St. Louis in February on disorderly conduct charges.

Enter Vermeil, who at first proclaimed a no-tolerant approach to dealing with today's troubled athlete, but then relented after meeting Phillips, or watching him carry the ball on videotape. Vermeil began counseling him and working to raise his self-esteem.

When Phillips lost $100,000 of a $300,000 workout bonus because of jail time, Vermeil had team management reinstate the money as part of his base salary this season.

"Lawrence and I have experienced a lot of things and let me tell you, I've been around a lot of [bad guys], and this isn't one of them," he said. "This is a complex kid but a good kid and a damn good football player."



Kimberly Bartik/Agence France-Presse
Anthony Miller, the Cowboys wide receiver, broke free of Randy Fuller of the Steelers and got a first down.

Cowboys Ride Roughshod Over Steelers

By Mike Freeman
New York Times Service

PITTSBURGH — Midway through the second quarter, Pittsburgh quarterback Kordell Stewart went deep to wide receiver Charles Johnson, and Deion Sanders got in the way.

Going for the interception, the Dallas cornerback smashed into Johnson and cornerback Kevin Smith in one of the scariest collisions you will see this year. Sanders was flipped over, landed on his head and lay on the turf for several seconds after the play before getting up.

Instead of being stunned or frightened that Sanders was seriously hurt, the crowd of 60,396 at Three Rivers Stadium cheered enthusiastically as he lay on the turf. When Sanders stumbled off the field, the fans cheered even louder.

Maybe they were venting their frustration at how a game that many thought would be tight turned into a 37-7 blowout of the Steelers by the Cowboys. No matter how much people try to write them off, no matter how many times they shoot themselves in the boot, the Cowboys are still one of the league's elite teams.

"It hurt very bad — the pain all through my body, especially my back," Sanders said about the collision. "When I was down on the ground, I heard those fans cheering and they were just so happy and something hit me and said: 'Get up. You're not going to give these people this glory. Get up. Get back out there and do your thing.' And that's what I did."

The Cowboys have never lost their toughness. Beating up Pittsburgh at home, so badly, in so many ways, well, that about says it all.

"This did kind of shock us," said Anthony Miller, a Dallas wide receiver who had two catches for 43 yards. "I don't know what it was. We just clicked."

The Cowboys' explosion was keyed by receiver Michael Irvin, who, with his seven receptions for 153 yards and two touchdowns, seems to be benefiting from Miller, a former Denver Bronco, since defenses can no longer double-team Irvin.

Miller had a 12-yard touchdown catch to give Dallas a 7-0 lead, but then it was all Irvin. He had a 42-yard touchdown catch on which he simply ran by cornerback Donnell Woolford. Irvin later added a 55-yard catch over the rookie Chad Scott that led to a 52-yard field goal by Richie Cunningham.

Irvin ran a sweet corner route early in the third quarter, catching the football with his fingertips and Scott draped over him. That touchdown was for 15 yards and gave Dallas a 24-0 lead.

The Cowboys made this look easy, and it should be no surprise. They are old hat at these kinds of games — the big game.

Pittsburgh has not beaten Dallas in nine years.

The "anyone else" now at quarterback is the artist formerly known as Slash. It is not that Stewart was horrible, going 13 of 28 for 104 yards, a touchdown and an interception in his first regular-season start at quarterback. It is just that nothing was working offensively for the Steelers.

Before Stewart's late 4-yard touchdown pass to wide receiver Mark Bruener, the Steelers had nine possessions, eight punts and two turnovers. For the game, Pittsburgh converted just one of 11 third-down opportunities.

"This loss is not going to deter anyone's attitude," Stewart said. "If we could play again right now, I'd go back out there and get some things straight."

Even when things were going right, they were going wrong. Pro Bowl running back Jerome Bettis (15 carries for 63 yards) was getting 4 yards a pop early in the game, but Bill Cowher, the Pittsburgh Coach, inexplicably went away from him and to the backup George Jones.

If he was looking for a spark, it wasn't there. Then when Cowher went back to Bettis later in the game, Bettis fumbled, and it was recovered by Brock Marion, the Dallas safety, at the Pittsburgh 10. That led to another Cunningham field goal, for a 27-0 lead.

While Troy Aikman was tossing his four touchdown passes, Stewart was looking downfield and finding no one open. As the Dallas defense played an unbelievable game (the Steelers' longest gain was only 15 yards), Pittsburgh's defense played one of its poorest in years.

And Sanders got his revenge on the crowd. After returning a punt 38 yards to the Steelers' 27-yard line — it would lead to a Daryl Johnston 13-yard touchdown catch and 34-0 third-quarter lead — he hot-dogged to the crowd. The few fans left in the stadium booed again, but he didn't care.

"If I would have scored," said Sanders, who recently became a born-again Christian, "I might have tried to climb up the goal posts to give the Lord a high-five."

Bucs Batter 49ers for 13-6 Victory

The Associated Press

Steve Young walked off the field slowly, soon to be followed by Jerry Rice. With them went the San Francisco 49ers' chances of victory in Tampa.

Young, who suffered a concussion, returned in the third quarter but Rice could be out for the year, Steve Mariucci, the new San Francisco coach, said Monday.

The wide receiver had a scan on his knee on Sunday night. Mariucci, the new San Francisco coach, said the team's doctor told him that Rice probably tore two ligaments in his left knee.

With Young slowed and Rice missing, a relentless Bucs' defense led by Warren Sapp held the usually potent 49ers to 45 second-half yards in a 13-6 victory.

"After those two guys, they're just an average football team," said Hardy Nickerson, a Buccaneers linebacker.

"You saw how the team reacted — from the coaches all the way down," said William Floyd, a 49ers fullback.

"This is just a starting point," said Sapp, who was involved in both plays that sent Young and Rice to the sideline. "There's no more old Bucs, baby."

Young, plagued by concussions in recent seasons, returned with 11 seconds to go in the third quarter with the 49ers leading, 6-3.

Sapp chased the 49ers' quarterback down from behind to sack him for an 11-yard loss, forcing a punt on the fifth play of the game. Rice hurt his knee late in the second quarter after taking a handoff from Young's replacement, Jeff Brohm, on a reverse. Sapp penetrated the 49ers' backfield, reached out and caught Rice's face mask as the NFL's all-time leading receiver tried to circle the left end.

The 49ers were limited to Gary Anderson's two field goals, and finished with 191 yards total offense. They failed to score a touchdown for the first time in 97 games.

Jets 41, Seahawks 3 In Seattle, Neil O'Donnell passed for a five touchdowns as New York rolled over Seattle, which suffered its worst home loss ever. O'Donnell was 18-for-25 for 270 yards with no interceptions. Adrian Murrell rushed for 131 yards on 24 carries.

"I couldn't hope for anything better than that," said Bill Parcells, the Jets' new coach.

Lions 28, Falcons 17 Detroit got only 33 yards from its starting running back, Barry Sanders but scored two defensive touchdowns to win Bobby Ross's first game as coach.

Stephen Boyd returned a fumble for a touchdown and set up a go-ahead score with an interception, spoiling Dan Reeves's debut with Atlanta. Linebacker Reggie Brown returned an interception 38 yards for an insurance touchdown with 3:57 remaining.

Oilers 24, Raiders 21 Eddie George rushed for 216 yards — the second-highest opening-day total in National Football League history behind O.J. Simpson's 250 in 1973 — and Steve McNair led an overtime drive capped by a 33-yard field goal by Al Del Greco.

The Raiders, under their new coach, Joe Bugel, got good performances from Jeff George and Tim Brown. Jeff George was 21-for-37 for 298 yards and three touchdowns, all of them to Brown, who caught eight passes for 158 yards.

Jaguars 28, Ravens 27 A gimpy Rob Johnson, playing in place of the injured Mark Brunell, threw a 28-yard touchdown pass to Jimmy Smith with 5:47 left, lifting Jacksonville to victory in Baltimore. Inhis first NFL start, Johnson overcame a badly sprained left ankle, completing 20 of 24 passes for 294 yards and two touchdowns.

Bengals 24, Cardinals 21 Cincinnati scored three fourth-quarter touchdowns, including a 6-yard pass from Jeff Blake to Carl Pickens with 38 seconds left against Arizona.

Ki-Jana Carter's 1-yard run made it 21-16 with 2:14 left. But the visiting Cardinals couldn't run out the clock. Larry Centers fumbled at Cincinnati's 37 with 1:10 left, setting up the final drive. Blake completed three consecutive sideline passes to stop the clock and get the Bengals close.

Giants 31, Eagles 17 Tiki Barber, one of five rookies starting for host New York, rushed for 88 yards and a touchdown in Jim Fassel's debut as the Giants' coach.

The Giants' defense sacked Philadelphia quarterbacks nine times, and safety Sam Garnes returned a fourth-quarter interception 95 yards.

Dolphins 16, Colts 10 Olindo Mare kicked his first three NFL field goals and safety Shawn Wooden came up with three turnovers for Miami against visiting Indianapolis.

Dan Marino, playing in his 200th game in his 15th season, completed just 10 of 26 passes for 105 yards.

Broncos 19, Chiefs 3 Terrell Davis ran for 101 yards and the game's only touchdown, a 10-yard burst early in the final period, and Jason Elam kicked four field goals for host Denver.

John Elway, shrugging off the ruptured biceps tendon he suffered on Aug. 4 and a hand injury just before the half, completed 17 of 28 passes for 246 yards.

Redskins 24, Panthers 10 Washington handed Carolina its first loss in the 10-game history of Ericsson Stadium behind Terry Allen's 141 yards rushing and two touchdowns.

In games reported in later editions Monday:

Vikings 34, Bills 13 Minnesota's Robert Smith gained a career-high 169 yards on 16 carries and broke loose on a 78-yard touchdown run early in the fourth quarter at Buffalo.

Patriots 41, Chargers 7 Drew Bledsoe threw four TD passes in the first half as New England beat visiting San Diego.

The Patriots outgained San Diego, 323-47, in the first half, taking a 31-7 lead as Bledsoe completed scoring passes to four receivers.

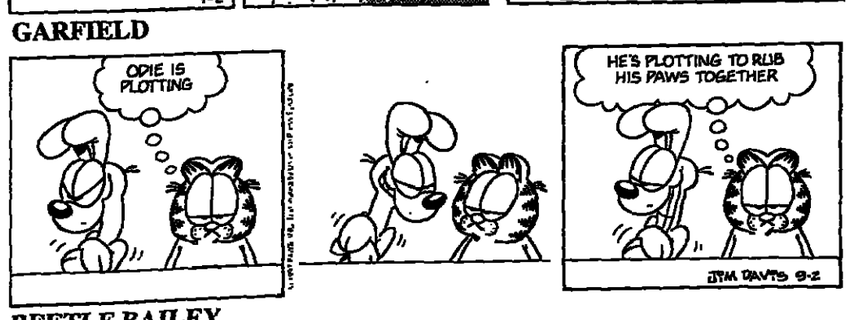
NFL ROUNDUP

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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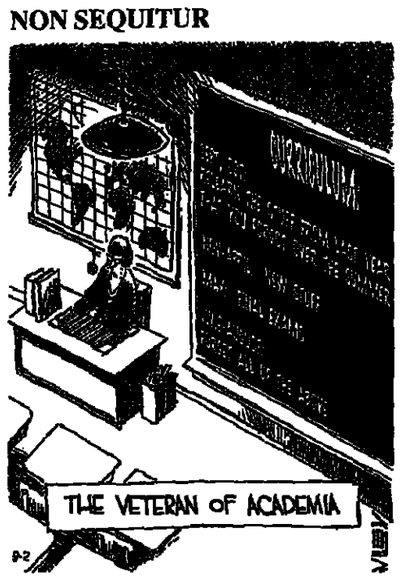

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ART BUCHWALD

The Road to Learning

WASHINGTON — Throughout the land the time has arrived when parents are sending their children off to college.

The station wagon is packed, the brownies are wrapped in tin foil, and every mother and father has a nagging suspicion that their child is not ready to handle higher education.

Buchwald

During the drive, last-minute advice is being dispensed.

Mother: "Don't drink beer or hard liquor. I don't care what those filthy fraternity boys try to talk you into."

"I won't, Mom. If they try to offer me a beer, I'll throw it all over their car."

Father: "Always go to the movies with another girl."

"I will, Dad. You raised me never to go to the movies with a boy."

Mother: "Remember, no marijuana. I don't want you to even try it. That's how people get all messed up. Promise me you won't touch pot even if someone offers it to you in the library."

"I promise, Mom."

Father: "If you have any problems you call us. We're your mother and father, and we know your weak spots."

"You'll get the first call."

Mother: "Imagine that you are Chelsea Clinton and the Secret Service is watching you all the time. Let her be your role model. Any time you want to do something, just ask yourself, 'Would Chelsea approve?' "

"I'll even call her collect if you want me to."

Father: "Obviously we are going to miss you very much, but as long as there is a Planned Parenthood Counseling Service at Dartmouth we'll feel better about it."

Mother: "You'll have to make your own bed. I know you never did it at home, but there won't be anyone to make it for you at school. If you want to make honor roll, change your sheets at least once a week."

Father: "This above all: to thine own self be true, and it must follow, as the night the day, thou canst not then be false to any man."

"That's good, Dad."

Father: "It's the only thing I learned at Harvard."

New Edu-tainment for Children?

The Associated Press

NEW YORK — In producing episodes of the popular "Doug" cartoon over the past few years, Jim Jinkins had one central worry: Will children laugh?

Now his scripts must pass muster with a team of Harvard educators who have another concern: Will children learn?

New federal rules taking effect Monday require television broadcasters to air at least three hours a week of educational shows for children.

Several new features designed to fulfill the mandate debut this week, but many programs will simply return to the schedule, newly defined as "educational."

"For us, this was just business as usual," said Maureen Smith, in charge of children's programming at Fox. "We will continue to pick shows that will not only educate but entertain."

Can Limerick Rise From 'Angela's Ashes'?

By Warren Hoge
New York Times Service

LIMERICK, Ireland — This sodden city in western Ireland has been such a hard-luck town that it cannot even lay claim to the form of verse everyone assumes was named after it.

"The truth is you can go into pubs here, and you'll hear yarns and doggerel and songs and parodies," said Brendan Halligan, editor of The Limerick Leader. "But I've never heard anyone recite a limerick."

H.D. Inglis, author of an early travel guide, came here in 1834 and found Limerick "the very vilest town" he had ever visited. Heinrich Boell, the German Nobel prize-winning novelist, saw it for the first time in 1950 and pronounced it a "gloomy little town" with "everything submerged in sour darkness."

More recently it has been made fun of in a popular television show as "stab city," a label — arising out of several muggings in the 1980s — that Mayor Frank Leddin finds so objectionable he will not utter it. "You can mention it," he said in his office overlooking the Shannon River, "but you won't be quoting Frank Leddin."

Long considered Ireland's most entrenched Catholic city — the author Conor Cruise O'Brien once called its bishop the "Mullah of Limerick" — it has suffered from stereotyping as "violent, intolerant, obscurantist and reactionary" in Halligan's words.

So picking on Limerick had long been something of a national pastime when the Irish-American author Frank McCourt wrote "Angela's Ashes," the evocative account of the miseries of his starkly impoverished upbringing in Limerick in the 1930s and '40s. The book, which won a 1997 Pulitzer Prize, has sold 1.4 million copies in the United States and is still No. 1 on The New York Times best-seller list.

While its image of Limerick is not one the residents of this much-maligned place would wish the world to seize upon, they are hoping the popularity of the book is something they can turn to their advantage.

"People come from all over the world to see James Joyce's Dublin; maybe this will do the same thing for Limerick," said Kevin Thompstone, an official of Shannon Development, the government agency that has watched tourists arrive at nearby Shannon International Airport and then speed through Limerick on their way elsewhere.

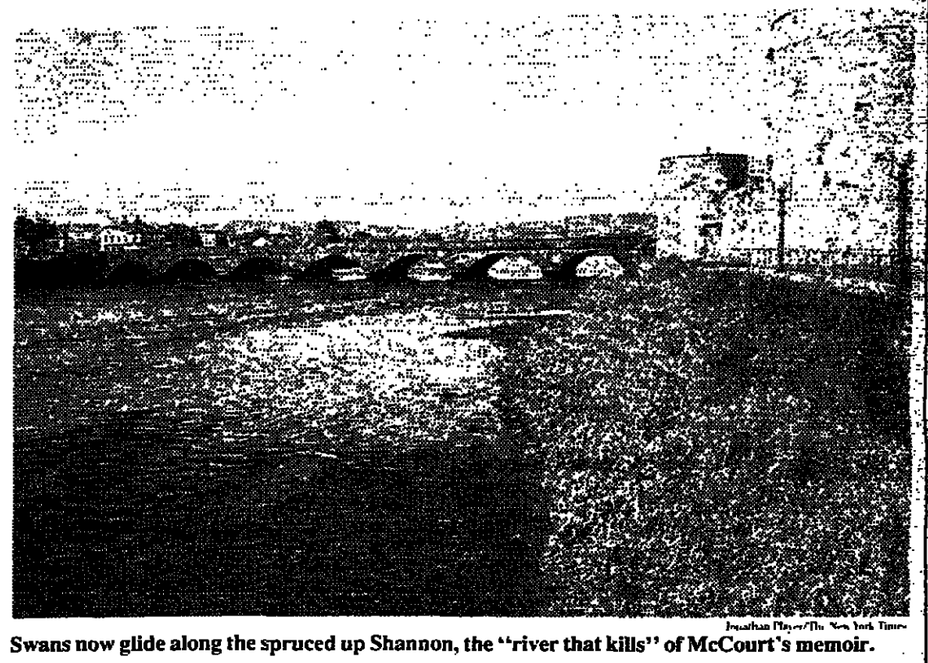
But even though Limerick is a much changed place from young Frank McCourt's days, it will take an imaginative tour operator to make a pilgrimage here as popular as the route that follows Leopold Bloom around the Irish capital.

The Limerick of the author's youth was a forbidding place where his family lived in a squalid hovel, with frequent flooding on the ground floor and the accumulated slops from an entire street's chamber pots in a lavatory by the front door.

The mother begged from Catholic charities, the children often had nothing but fried bread and sugared water for food, their clothes were threadbare, their shoes resoled with scraps of bicycle tire. Their sleep was disturbed by a carousing father who would spend his dole money and his wages from his infrequent jobs on drink and then lurch home singing revolutionary tunes and roust his children from bed demanding that they loudly declare their willingness to die for Ireland.

Wondering how he survived his childhood, McCourt writes, "People everywhere brag about the woes of their early years, but nothing can compare with the Irish version: the poverty, the shiftless loquacious alcoholic father; the pious defeated mother moaning by the fire; pompous priests; bullying schoolmasters; the English and the terrible things they did to us for eight hundred long years."

In the memoir, composed in an affecting present-tense, child's-eye narrative, the city emerges as "a gray place with a river that kills." Many of its young, including twin brothers of McCourt, die of tuberculosis, and those who make it to adolescence are subjected to the menaces and punishments of cane-wielding teachers and the judgment day warnings of the Catholic clergymen. "Doom," McCourt wrote. "That's the favorite word of every priest in Limerick."


Jonathan Player/The New York Times
Swans now glide along the spruced up Shannon, the "river that kills" of McCourt's memoir.

Among the sites that remain as they were are the towering Redemptorist church, the Leamy's National School building, the St. Vincent de Paul Society town house where Mrs. McCourt lined up for assistance, and W.J South, the pub where his Uncle Pa Keating ceremoniously gave the freshly 16-year-old Frank his first pint. "We've had a couple of coach loads come in already," said David Hickey, the bartender.

Other spots, like the dockside area where young Frank tries to scratch together enough coal discarded from barges to cook the family Christmas meal of a pig's head, have made way for arts centers, museums, cafés and restaurants with names like Quenelles.

Beyond the material benefits that prosperity and development have brought the city, its spirit has lightened with a shift in the city's attitude toward the Shannon. From its days as a walled city, Limerick traditionally built densely to the shore, shutting off access with breweries, foundries, mills, bacon factories and warehouses. In the last 20 years, it has opened up the riverside with parks and promenades. Swans now glide along the "river that kills."

The city has a modern university on its outskirts, which provides underpinning for the information technologies industry that has grown up around the airport. McCourt is to be writer in residence there starting in October.

Since the publication of "Angela's Ashes," conversations have centered on little else in the secluded areas of pubs called "snugs," behind the curtained windows of the bowed Georgian buildings in the city's gracious Crescent, along O'Connell Street, the city's commercial thoroughfare, and among the lanes and tenement areas where young Frank McCourt rode out his desperate early years.

People chew over the depictions of Limerick, its poverty and institutions and individual characters.

But a feeling that the book is talking about an unlamented past, is well-written and does not reflect the Limerick of today seems to be winning out over the original fear residents had of being held up to ridicule again.

J. David Ake/Reuters
HOT FASHION — Contestants performing at a fashion show in Nevada's Black Rock desert during the anything-goes Burning Man festival there.

PEOPLE

THIRTY years ago, **Linda McCartney** took a camera with her when she hit the road with the **Beatles** during the 1967 "Summer of Love." She came up with black-and-white photos of some of the era's biggest stars — **Stephen Stills, Jimi Hendrix, Aretha Franklin** and a young **John Lennon** working on a song with **Paul McCartney**. The photos are now hanging in the Museum of the City of San Francisco to help raise money for a free concert in Golden Gate Park this fall. The show will commemorate the fabled summer's 30th anniversary. "She saw people in moments of personal space and intimacy that would be hard for a lot of us to capture," said **Chet Helms**, who hitchhiked to San Francisco with **Janis Joplin** three decades ago and is organizing the concert. "So we get to share those little moments through her eyes."

□

An autographed picture of former Vice President **Dan Quayle** brought more giggles than bids at a benefit auction. "I'll give you $5 for Dan," one bidder offered during the sale at the Tubman African American Museum in Macon, Georgia. Quayle's photo eventually went for $20, considerably less than a **Bill Cosby**-autographed picture that sold for $75 and one of **Whoopi Goldberg** for $70. The auction benefited children's dance, art and photography programs at the museum.

□

Leni Riefenstahl, notorious for directing Nazi propaganda films, has been given a film achievement award. "It's too much honor," said Riefenstahl, 95, accepting the award from Cinecon, a California group dedicated to restoring and showing old films. It was her first public trip to Los Angeles since 1938. The visit was condemned by the Simon Wiesenthal Center, a Jewish human rights organization. "There's no doubt that she was a brilliant documentarian and filmmaker," **Rabbi Abraham Cooper** said. But he said that her films had "helped inspire millions of Germans and Austrians to embrace the Nazi ideology," adding, "You cannot separate the art from the implications of the art." Riefenstahl's 1934 film "Triumph of the Will," made at Hitler's request, is considered a masterpiece of propaganda. She also filmed the 1936 Summer Olympics in Berlin. Cinecon said it had honored Riefenstahl because she represented "all facets of filmmaking."

□

Madonna is reportedly on the lookout for a mansion in Nyack, New York, a suburb of the Big Apple. The pop star has been looking at mansions on the Hudson River in and around Nyack, a short drive north of New York City, according to a real estate agent. A friend of Madonna's, the talk show host **Rosie O'Donnell**, lives nearby, and Madonna "certainly seems interested in the area," the real estate agent said. Madonna is said to want a place with privacy and a view of the river.

□

She's out of the closet in life and on television. But **Ellen Degeneres** may not be ready for prime-time smooching. The star of ABC's "Ellen" told TV Guide that she wasn't as comfortable kissing a woman on screen as in real life. "I'm more comfortable kissing a man on camera because I've done it more times," she said. Kissing a woman, she added, "is really the last thing I want to do." Since acknowledging last spring that she's gay, Degeneres has mugged for cameras with her girlfriend, the actress **Anne Heche**. Degeneres said her TV character would get a girlfriend this season. The relationship will be difficult for the network. "This is a delicate balancing act because we don't want to lose any of our audience," she said.

□

Everything in Texas is bigger, right? Now the Lone Star State has a second school of government named for a president. The **George Bush** School of Government and Public Service opens this week at Texas A&M University in College Station, with 19 students in its first year. It will compete with the **Lyndon B. Johnson** School of Public Affairs at the University of Texas in Austin.

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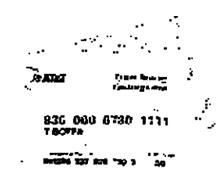

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The World's Daily Newspaper

Russians Blame Crew For Mishap With Mir

Investigators Defend Spaceship and Assert 2 Cosmonauts Erred

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Herald INTERNATIONAL Tribune

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TODAY: STAGE Venice Festival, Page 11

جامعة الأردن

Russians Blame Crew For Mishap With Mir

Investigators Defend Spaceship and Assert 2 Cosmonauts Erred

The Associated Press

MOSCOW — Russian space officials formally blamed two cosmonauts on Tuesday for the worst space collision ever and said they faced probable fines.

A space commission concluded "beyond any doubt" after an inquiry that Vasili Tsibliyev and Alexander Lazutkin caused the June 25 collision between the aged Mir and a robot supply craft, an official said.

The commission rejected complaints of the veteran space fliers that worn-out equipment on Mir had malfunctioned.

"Personally we felt pity for the boys, but the facts remain," Valeri Ryumin, the coordinator of the Mir-NASA program, told the ITAR-Tass news agency. "Most likely we will have to fine them, cutting the payments due under the contract."

It is not certain the decision will stand. The head of the Russian Space Agency's manned flights program, Mikhail Sinelshchikov, told the press agency later that the commission had yet to make a final decision, and another panel could still overturn it.

A spokesman at Russian Mission Control said ground controllers were unaware of the decision. A call to Mr. Ryumin went unanswered.

An American astronaut aboard Mir, Michael Foale, who is still on the craft, was the third member of the crew at the time of the accident. But, like other visiting astronauts, he is not usually involved in operating or maintaining Mir.

The conclusions of the commission, which were issued Tuesday, are unlikely to put all questions to rest.

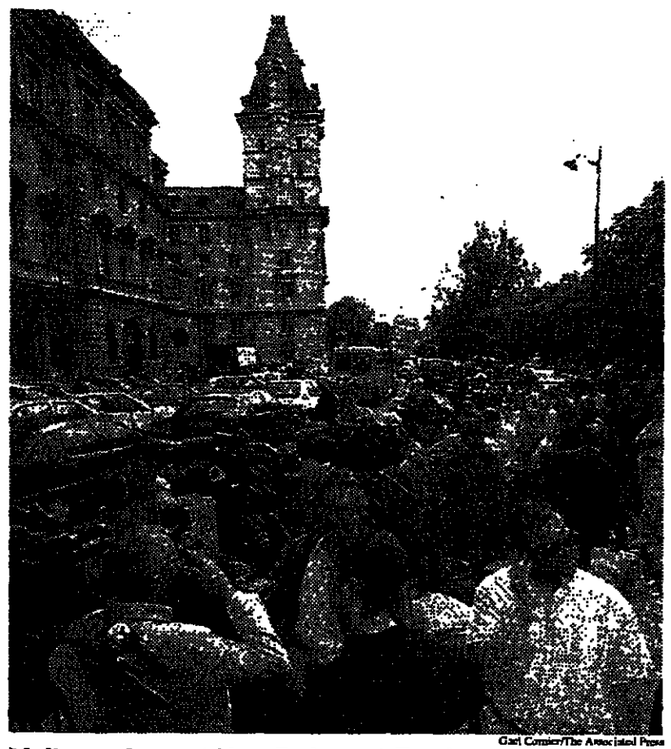
Skeptics could argue that the verdict was predetermined, that the Russians had a vested interest in finding that Mir — an important vehicle to attract research money from other countries — did not cause the collision.

Mr. Ryumin, who also is deputy director of Energia, the company that built the Mir and oversees it, said the finding was reached after a thorough examination of flight data.

But he would not specify in the interview what errors the crewmen had made.

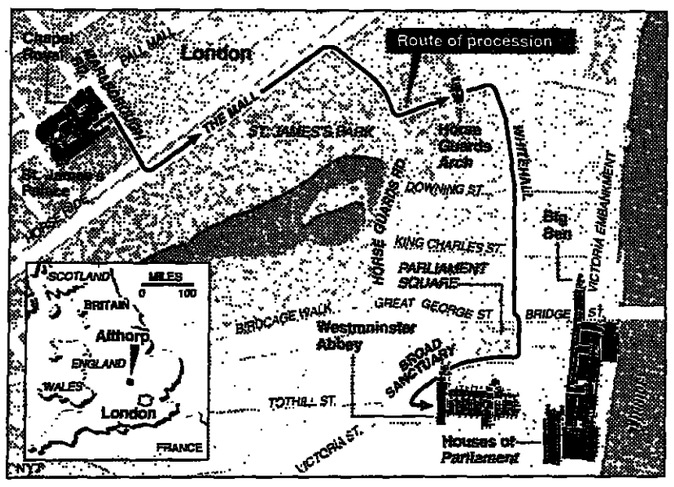
The near-calamitous Mir accident occurred during a practice manual docking. Mr. Tsibliyev was guiding the seven-ton supply ship toward its docking port by remote control and it went in too fast, banging into the Spektr laboratory

See MIR, Page 4



Gael Cornier/The Associated Press

Media members outside a Paris court Tuesday awaiting a judge's ruling on whether to open a formal investigation of the photographers.



Inquiry Into Paris Crash Moves to Manslaughter

Photographers Are Freed but May Face Trial

By Craig R. Whitney
New York Times Service

PARIS — A French judge opened a formal investigation Monday of six photographers and a motorcycle driver to determine whether they should stand trial for involuntary homicide and failure to come to the aid of Diana, Princess of Wales, and two other victims killed in a car crash Sunday.

Five of the men were released on their own recognizance, but two, Romuald Rat, a photographer for the Gamma agency, and Christian Martinez of the Angeli agency, were released on 100,000 francs ($16,500) bail each. The latter two were forbidden to work as photographers during the period of the investigation.

The judge, Herve Stephan, opened the formal inquiry in the case by notifying the men of the crimes involved. The judge will have wide discretion to investigate the case and ultimately decide whether to end the inquiry and close the case or to send any of the seven to trial before another tribunal.

Diana's companion, Emad Mohamed (Dodi) al Fayed, and their French driver, Henri Paul, were also killed in the crash.

Prosecutors said Monday that Mr. Paul's blood alcohol level was far above the legal limit, but that did not lessen their determination to establish whether the photographers following the automobile as it raced through Paris were a factor in the accident.

The powerful Mercedes S-280 limousine, which started its fatal journey at the Ritz Hotel where Mr. Paul was assistant director of security, hit a supporting pillar in a tunnel under the Place de l'Alma near the Seine while racing away from the pursuing photographers at such high speed that the front third of the car was demolished.

Prosecutors denied a widely published report that the speedometer of the wrecked car had been found frozen at 196 kilometers (122 miles) an hour. It was stuck at zero, they said.

A spokesman for Mercedes said in a telephone interview from Stuttgart that the car was not a heavy armored model, as earlier reports stated, but said that police would be able to determine its speed at the time of impact by examining the wreckage and skid marks on the scene.

Mohamed al Fayed, the Egyptian-born British businessman who owns the Ritz as well as Harrods department store in London, has pressed prosecutors to pin criminal responsibility on the photographers for setting off the chase that led to the death of his son, Diana, and the driver, a Ritz employee.

French law makes involuntary homicide or injury a crime punishable by three to five years' imprisonment and fines of 300,000 francs to 500,000 francs. In some countries, this charge is roughly the same as manslaughter. Failure to seek help for persons in danger, or hampering the work of those trying to help, can bring punishment of five years in prison and fines of up to 500,000 francs.

A bodyguard seated in the right front seat of the car, Trevor Rees-Jones, a former British paratrooper, survived, but doctors said he suffered serious chin and facial injuries, a brain concussion and lung injuries. They estimated that it could be weeks before he

See DIANA, Page 10

Central London Falls Silent As Thousands Pay Tribute

By Eugene Robinson
Washington Post Service

LONDON — The first thing you notice is the silence: The center of London, with all its monuments and its boulevards and its palaces, is quiet as a church.

The death of Princess Diana was such a profound shock for Britain that many people, including many officials, did not know quite how to react. On Sunday and Monday, crowds pouring toward the royal palaces to express their condolences had to fight their way through the city's normal choking traffic. The result was gridlock for motorists and an obstacle course for pedestrians trying to lay their bouquets of flowers.

On Tuesday, as Britain settled into a routine of mourning, the authorities closed off all the streets around Buckingham and St. James's Palaces to traffic, roughly the area between Hyde Park Corner and Trafalgar Square. The effect was to create a city within a city — to create, within this huge metropolis bustling about its workday, a smaller London that moved to a slow, stately, elegaic pace. At the circle in front of Buckingham Palace, a place normally filled with the sound of taxicabs honk-

See MOURN, Page 10

The Graying of Japan: Pension Lab for a Cost-Conscious World

By Sheryl WuDunn
New York Times Service

TOKYO — The year is 2025. The nation has twice as many old people as it has children; its economy is groaning under the weight of heavy taxes, its population is shrinking and the government's reserve of social security funds has run dry.

Unless things change, this is the not-too-distant future of Japan, once the fastest-growing economy on the globe and now the world's most rapidly aging industrial society.

With one person in six already older than 65, the challenge of how Japan will support its aging society grows more bedeviling with each passing year.

Not that many other countries will be exempt from some of the same hardships. But Japan will be the world's guinea pig: No nation has ever had experience with such an elderly society, and Japan is graying faster than the rest of the industrial world in North America and Europe. So how it faces the quandaries presented by a rapidly aging society is likely to serve as a model — or a warning — to other countries that will eventually undergo the same transformation.

The lessons from Japan so far are not encouraging, for it seems that the only way that Tokyo will be able to finance the nation's wrinkled future will be with significantly higher taxes and considerably smaller benefits.

"There is no golden egg," said Atsushi Seike, an economics professor at Keio University. "So we have to get money from somewhere and that is only from the people or an increase in their productivity."

A declining birthrate and a graying society — rather than exchange rates and trade surpluses — are likely to be the key factors during the next several decades in shaping the economies of Japan and other rapidly aging industrial countries.

Unless policies change substantially, high payments will exhaust Japan's pension reserve fund before 2025. By that time, the total social welfare burden — much of it retirement and health care costs for the elderly — could reach as high as 73 percent of national income, according to an official forecast.

Taxpayers, of course, will have to pick up much of the swollen tab, and higher tax rates could lead to a flight of talent — even among the famously loyal Japanese.

"Who's going to work?" asked Robert Alan Feldman, chief economist at Salomon Brothers Inc. in Tokyo. "The most productive guys will go somewhere else."

A simulation analysis by an advisory council to Prime Minister Ryutaro Hashimoto forecast that unless the government's finances are overhauled, the burden from social welfare and fiscal debt will balloon. For 2025, it projects an overall national debt of 153 percent of gross domestic product, compared with 11.5 percent of the overall economic output in 1995.

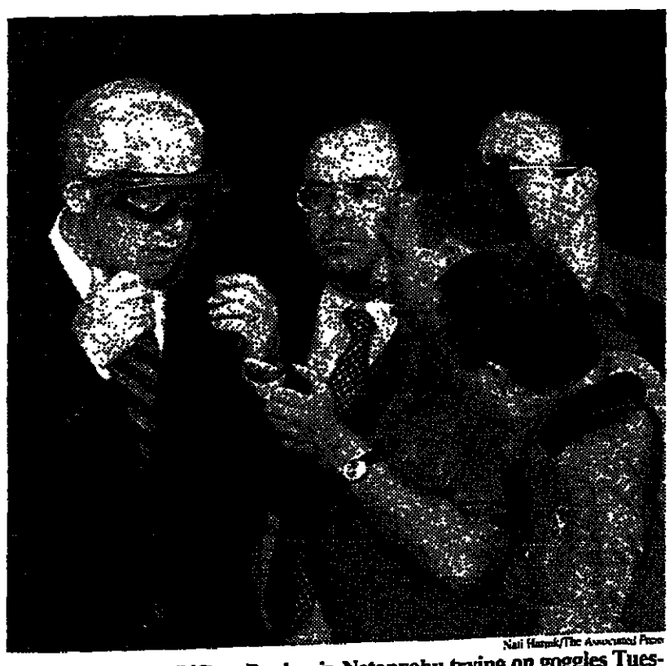
As a result, the analysis concluded with perhaps a touch of typical Japanese alarmism, if the current system is not changed, the "economy will collapse."

"We don't have any concrete direction," Junichi Sakamoto, a Health and Welfare Ministry official, said. "But I think that many people think a cut in the benefits is inevitable."

The future strains on society are evident in the reaction of those unlucky workers, like Atsuto Hayahara, who have already suffered pension cuts for other reasons. A 55-year-old employee at Seishoku Kohyo, Mr. Hayahara saw his benefits cut when the pension fund at the troubled textile company was bank-

See JAPAN, Page 4

AGENDA



Nati Harnik/The Associated Press

ISRAELI WARNING — Benjamin Netanyahu trying on goggles Tuesday at an army base near Tel Aviv. He said efforts to revive the peace process would fail if Yasser Arafat did not crack down on militants.

U.S. Stocks Soar to Record Gain On Easing of Inflation Fears

Stocks rallied more than 3 percent Tuesday, propelling the Dow Jones industrial average more than 250 points, its single largest points gain ever, after a report offered some relief from the inflation worries that have jostled the market in recent weeks.

Broader stock indicators also rallied as interest rates fell in the bond market following the release of the first major reading on last month's economic activity.

After a series of reports suggesting that the economy might be accelerating at an inflationary pace, the National Association of Purchasing Management report on manufacturing in August showed that manufacturing growth had slowed, heartening investors.

The surge in stocks and bonds follows the largest monthly percentage decline for the Dow in seven years and coincides with investors' return from summer vacations.

In percentage terms, stocks posted their biggest rise in percentage terms since Jan. 17, 1991, when the Dow rose 4.6 percent at the start of the Gulf War.

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.8344	1.8085
Pound	1.5915	1.6205
Yen	121.575	120.80
FF	6.1722	6.0861

The Dow		
change	Tuesday close	previous close
+257.36	7879.78	7624.98

S&P 500		
change	Tuesday @ 4 P.M.	previous close
+28.11	927.57	899.46

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The IHT on-line www.iht.com

EU's Duty-Free Shops Make Last-Ditch Stand for Survival

By Dirk Beveridge
The Associated Press

LONDON — Travelers caught in the bustle of Europe's airports are bombarded with ads promoting duty-free sales, but this summer many of the signs carry a warning — crossing out the crucial word "free."

The European Union plans to eliminate all EU duty-free sales on June 30, 1999, and the $6.4 billion a year industry that has posted the signs is lobbying hard against their eventual extinction.

The idea of wiping out duty-free does not sit well with many travelers either, though some acknowledge it might make little difference because often they can get better deals at their final destination.

The European Union plans to get rid of duty-free stores because, as it becomes a single market, goods can be transported freely across borders for personal consumption with — theoretically — no need for people to pay import and export duties.

"But it's theory, not practice," said Edward Orr, from Kent, England.

Exactly, say the lobbyists.

"I think we should have duty-free something," said Angela, a Londoner who has taken the ferry across the English Channel to stock up on duty-free items and cheap groceries in France. "We pay so much taxes on everything."

Across Europe, lobbyists are posting their signs on ferries and hovercrafts, hoping customers will pressure the politicians. Spaniards are urged to support *la continuidad del duty-free*, while the English are told that "traveling would never be the same again."

See DUTIES, Page 4

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

China's Gay Community Finds an Open Place in Urban Society

By Seth Faison
New York Times Service

SHANGHAI — On a side street not far from the waterfront, a small restaurant filled up one recent evening with customers, many of them homosexual. Some came to see a long-haired, cross-dressing singer perform, but more seemed happy just to find a place to relax and laugh.

Plainly dressed men in their 20s and 30s crowded around tables overloaded with plates of steamed fish and sauteed vegetables. A singer in a slinky black gown and curly shoulder-length hair stood on a chair to croon a love song, his protruding Adam's apple the only clue to his sex. Mixing his own suggestive lyrics with more conventional ones, the singer evoked hoots of laughter from the crowd, who thrilled to his irreverent humor.

"No one bothers about us anymore," said a 32-year-old man with a crew cut, sitting with a half-dozen friends at a corner table. "As long as we're not disturbing anyone else, we can enjoy ourselves and the police will leave us alone."

As official tolerance of gay men and lesbians quietly grows in China, they are taking their first steps toward openness, as the mere existence of this restaurant — run by two openly homosexual managers — testifies.

The last few years have brought a significant, if tentative, coming-out for homosexuals in urban China. Until recently, gay life in Communist China existed only behind closed doors, almost uniformly considered a social disgrace or a form of mental illness, sometimes treated with electric shock therapy.

Now, in cities all over the country, homosexuals gather and socialize in places openly known as homosexual hangouts like restaurants, bars and public parks, largely unafraid of the kind of police roundups that were common only a few years ago.

Yet, many homosexuals complain that they still face harsh discrimination, that Chinese society is still so closed that an overwhelming majority of them keep their sexual orientation secret from their families and co-workers.

"We all talk about it much more openly than

See CHINA, Page 4

AT&T

Scientists at Play / **Lively Debates Among the 'Porch People'**

At Woods Hole, the Summer Is a Seminar

By Carey Goldberg
New York Times Service

WOODS HOLE, Massachusetts — As they bid farewell to their squid neurons, their global climate models or their late-night discussions of the microscopic mysteries of life, the summer scientists of Woods Hole do not wax maudlin at season's end. They are not the type.

But by a certain light in their eyes as they describe their "vacations" of laboratory work, seminars and *discourse, one can tell: Among the many beloved* seaside spots from which melancholy summer folk are now making their exodus, this Cape Cod village-turned-scientific-colony is one that evokes particular passion, and among a caste known for being dispassionate.

"Critics will accuse the place of being a summer camp for scientists," said Dr. Gerald Weissmann, a New York University rheumatologist and writer who works summers at the Marine Biological Laboratory here. "But anyone who's ever been in love as a teenager remembers a summer romance — and this is a place where a lot of people fall in love with science."

They converge here by the thousands in the summer, top-flight researchers, teachers and students — 1,100 to the Marine Biological Laboratory, 500 to the Woods Hole Oceanographic Institution, hundreds more to several other scientific magnets and more than 5,000 for brief stints at the National *Academy of Sciences conference center, a shingled* mansion overlooking the bobbing boats of Quissett Harbor.

Their progeny may study at the Children's School of Science or in science-tinted clubs for teenagers; their spouses may take seminars or sail on Buzzards Bay.

Woods Hole scholars of nature are not the kind to make unfounded claims, but it could be, it just could be, some say, that this is *the* place to be for a scientist in summer, at least for those in biology, oceanography, environmental studies and several other disciplines.

Many Woods Hole scientists say that as this mellow village of 1,300 more than triples its population in summer, it seems to reach a certain critical mass, one that makes it not only a pleasant place to work but a superior one, where colleagues are likelier to learn from one another than elsewhere because the organisms they experiment on, or their paths to the tennis court, overlap.

These distinguished professors and occasional Nobel laureates, slouching about in shorts, T-shirts and boat shoes, say the informal atmosphere contributes to a flow of information across disciplines and ranks that serves as a further catalyst to learning and discovery.

"When I was a child in school," said Juergen Theiss, a German doctoral candidate who spent the summer in the Oceanographic Institution's geophysical fluid-dynamics program. "I had this picture of Greek philosophers sitting around and talking to students, and I thought it was a fairy tale. But here it really was like ancient Greece."

Mr. Theiss spent his summer among what are affectionately known here as the "porch people," a collection of top experts in fields like applied mathematics and geophysics who hash out some of the knottier abstract problems of Earth's physical processes sitting on a porch or in the decrepit seminar room of the institution's 122-year-old Walsh Cottage.

The intellectual atmosphere is so intense that once, recalled Edward Spiegel, an astronomy professor at Columbia University, "one poor guy came to give a lecture and before he knew it, three guys were at the blackboard and none of them were him."

The porch people delve into unusually abstract matters, but the liveliness of their debates is par for the course here.

Lewis Thomas, who wrote lovingly about the Marine Biological Laboratory in "The Lives of a Cell," described the sound of scientists confabulating on the beach or after one of the laboratory's famous Friday night science lectures like this:

"It is that most extraordinary noise, half-shout, half-song, made by confluent, simultaneously raised human voices, explaining things to each other."

So much exchange of scientific information goes on here in the summer that "there are more lectures than you can go to," said George Woodwell, founder of the Woods Hole Research Center, which *focuses on global environmental problems.* "You can spend all your time in lectures and seminars."

And there are parties almost every night as well, scientists say.

BUT THIS is not the Hamptons, they hasten to add: That fraternizing, whether at wine-and-cheese mixers or at picnic lunch tables or on street corners, often serves a purpose beyond the pleasure of relaxing between a long day in the lab and the long night in the lab that follows.

"People tell tons of anecdotal stories about bumping into A, B or C and getting an idea about X, Y or Z," said John Burris, director of the Marine Biological Laboratory, the largest private marine laboratory in the country and home, at one time or another, to 37 Nobel laureates.

Summers at Woods Hole also allow teams of scientists from different institutions to come together for intense, short-term collaborations that can prove critical in research.

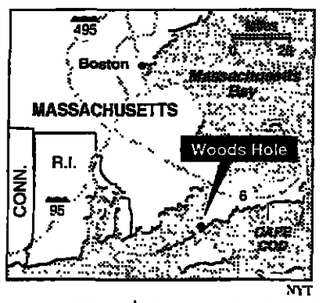
Sheldon Segal of the Population Council said that in his work this summer at the Marine Biological Laboratory on the potential use of gossypol, a substance extracted from cottonseed, as a potential male contraceptive, he could call on the services of a senior Argentine specialist in electron microscopy; a young medical student from Cornell University; George Langford of Dartmouth College, an expert on intracellular transport methods who looked at how the substance affected sperm motion, and Joan Ruderman, a Harvard biologist.

"You come to Woods Hole and sit on the seawall and have a hero sandwich and talk about these things, and I say, 'Joan, would you take a look at gossypol's effects on cyclins?'" Mr. Segal said, referring to proteins involved in cell division. "We have a synergy of ideas and a synergy of methodologies."

Robert Gagosian, the director of the Woods Hole Oceanographic Institution, noted that scientists brainstorming there decades ago came up with the idea of submarine-based nuclear weapons — which eventually became the anchor of the United States' triad of missiles based on land, bombers and sea — as well as many overarching plans for global science projects.

"You get a cross-fertilization of ideas here," he said. "There's all this brilliance that comes into the village in the summer."

Keith Meyers/The New York Times



NYT

Sheldon Segal of the Population Council, right, chatting with Baccio Baccetti of the University of Siena, Italy. 'We have a synergy of ideas and a synergy of methodologies,' Mr. Segal says.

Yemeni Search Opens Old Wounds in Israel

By Joel Greenberg
New York Times Service

JERUSALEM — For a few days last week, two ordinary Israeli women became an extraordinary news sensation.

Tzila Levine, the daughter of a Yemenite Jewish woman, had been put up for adoption without her mother's knowledge after they immigrated to Israel nearly 50 years ago.

Last week, Mrs. Levine traced and apparently found her mother, Margalit Umaysi. A DNA test confirmed the relationship with a 99.99 percent certainty.

Their emotional reunion attracted wide attention because it nourished a persistent conspiracy theory that is part of an ethnic fault line in Israeli society. Those who believe the theory contend that hundreds, perhaps thousands, of Yemenite babies who were reported to *have died* or to *have disappeared after* their parents came to Israel were actually kidnapped and given or sold to European-born Israelis and American Jews.

The controversy over the Israeli establishment's treatment of the 50,000 Yemenite Jewish immigrants, most of whom were airlifted to Israel in 1949 and 1950, has festered for years. It has *stoked deep resentment* among the country's Sephardic Jews of Middle Eastern and North African origin.

A generation of young Israelis of Yemenite descent has demanded explanations for the disappearance of their brothers and sisters from crowded tent camps where the Yemenite Jews were housed when they arrived.

Babies were often taken from their parents to be put in nurseries and hospitals, and their parents were often told that the babies had died or were simply no longer there.

"I am living proof that things like that happened," said Mrs. Levine, 49, as she sat with Mrs. Umaysi in her simple stucco home in Ramat Gan, a suburb of Tel Aviv. "It's an inexcusable act, and it's time to apologize and make restitution by uncovering it."

Mrs. Levine was brought up by adoptive parents on an Israeli kibbutz and now lives in Sacramento, California.

The circumstances of Mrs. Levine's adoption and even her link to Mrs. Umaysi remain unclear, reflecting the uncertainty surrounding the fate of the Yemenite babies.

Last week, at a hearing of a government commission inquiring into the treatment of the Yemenite infants, Mrs. Levine's adoption papers were produced by a lawyer for the commission. The papers indicate that the adoption procedures began in 1948, a year before the records say Mrs. Umaysi arrived in Israel. Mrs. Levine's lawyer asserted that the papers were forged. The commission suggested a second DNA test.

Ami Hovav, an investigator who served on two earlier official commissions that examined the fate of the Yemenite babies, said that out of 650 cases of babies reported missing by their parents, 80 have still not been solved.

Conditions in the tent camps were chaotic, the investigator said. Records were sloppy and communication with the immigrants was poor because of language difficulties, leading to frequent mix-ups when babies were transferred to and from nurseries and hospitals.

Many of the infants died because they were suffering from diseases and malnutrition that developed during their families' trek through Yemen to a transit camp in Aden. Sometimes parents were not told of a death.

At a time when the new state of Israel was still fighting skirmishes on its borders and facing severe economic difficulties, the immigration strained the country's resources, contributing to confusion, Mr. Hovav added.

Dov Levitan of Bar-Ilan University, an authority on the Yemenite immigrants, cites similar statistics, adding that he has found no evidence of an organized conspiracy to spirit away Yemenite children for adoption. But there was a condescending attitude toward the arrivals.

The problem was compounded when successive Israeli governments refused to order investigations.

The two earlier inquiries about the Yemenite babies produced only limited findings. The latest commission was announced after a shoot-out in 1994 between a radical Yemenite group and the police that left one militant dead. The group, led by Uzi Meshulam, who is now serving an eight-year sentence, contends that more than 4,500 Yemenite babies were kidnapped for adoption.

Other Yemenite Jewish advocates put the numbers at between 1,000 and more than 2,000. They assert that the European-born Ashkenazic Israeli establishment looked down on the new immigrants and felt free to take their children for adoption by childless European Jewish couples, many survivors of the Nazis.

Avner Farhi, an Israeli reporter of Yemenite descent who has been investigating the disappearances, contends that the children were deliberately separated from their parents and moved to nurseries or hospitals to pave the way for their adoption.

Mr. Hovav disputed this, asserting that many infants who seemed healthy were actually quite sick.

Mr. Levitan agreed there was a patronizing attitude toward the immigrants. In some cases, the Yemenites' religious studies were restricted and their traditional side-curls were cut to remake them into modern Israelis.

"The concept was absorption through modernization, by inculcating the values of Western society," he said.

The disappearance of the children left a trail of grief that continues to haunt their parents nearly 50 years later. Several weeks ago, four families of missing children opened graves bearing their children's names, but found no remains, deepening the mystery.

"I was looking for her for 50 years, dreaming about her," said Mrs. Umaysi of her lost daughter. She fed her one day at a hospital near her camp and the next day the baby was gone, she recalled.

Mr. Hovav says the baby girl was mistakenly returned to a different tent camp and never traced to her mother.

Mrs. Levine, who knew she was adopted from the time she was 6, said that she began searching for her biological parents in the 1970s. Two years ago, she said, she saw Sampson Giat, the chairman of the Yemenite Jewish Federation of America, on a television program, and began corresponding with him about her case.

Earlier this month, she arrived in Israel and a photograph of her as a child appeared in an Israeli newspaper. Families who got in touch with her Israeli lawyer were screened, and a DNA test was given to Mrs. Umaysi and Mrs. Levine by a Hebrew University geneticist. The results left them in no doubt that they are mother and daughter.

"The circle has closed," Mrs. Levine said. "I feel that I've won a war — a lifelong war."

Zedillo Vows Cooperation: Congress Foes Seek Reforms

By Sam D...
Associated Press

MEXICO CITY — [illegible] controlled for the [illegible] parties. President E[illegible] pledged to respect the [illegible] newly independent [illegible] on lawmakers to [illegible] economic policies he [illegible] growth and modest [illegible] schools and hospitals.

Mr. Zedillo's [illegible] speech Monday [illegible] attempts to fight [illegible] jobs and increase [illegible] programs, was greeted [illegible] little enthusiasm.

Porfirio Muñoz [illegible] elected speaker of [illegible] been a fierce [illegible] Institutional Revolu[illegible] livered an opposition [illegible] ing the president's [illegible] unprecedented in [illegible] tury. He offered to [illegible] with Mr. Zedillo [illegible] pledged a full review [illegible] policies in the upcoming [illegible]

Opposition legislators [illegible] review the tax system, [illegible] economic measures, [illegible] bailout of wealthy [illegible] vestigate corruption [illegible] gress gets down to work.

Opposition lawmakers [illegible] Mr. Muñoz Ledo [illegible] quent applause, [illegible] vowed to strengthen [illegible] powers as a check [illegible] "historic excesses" [illegible] power.

"From today forward [illegible] forever, in Mexico [illegible] be subordinated to [illegible] oz Ledo said.

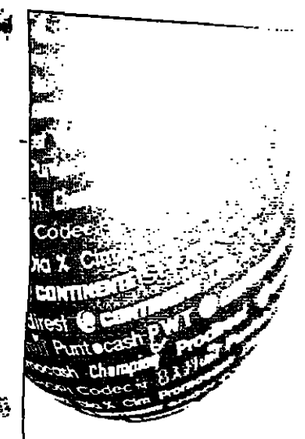
In contrast, Mr. [illegible] tained applause [illegible] boilerplate [illegible] armed forces. [illegible] livered in front of [illegible] more than 60 senators [illegible] most of Mexico's [illegible]

In the July [illegible] sition parties won [illegible] the 500-member [illegible] compared with [illegible] Revolutionary Party [illegible] followed, opposition [illegible] an agreement to [illegible] the key leadership [illegible] tees, while [illegible] agree later this [illegible] to vote on substance.

The legislature's [illegible] session opened [illegible] dillo's arrival [illegible] Institutional Revolutionary [illegible] ties repeatedly [illegible] position lawmakers [illegible]

"We announce [illegible] Mexico that the [illegible] mirrors legislative [illegible] tial immunity [illegible] proval, has finished [illegible] leader of the opposition [illegible] said in a speech.

"Sit down!" [illegible] tionary Party lawmakers [illegible] "Learn how to [illegible]



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THE WORLD'S DAILY NEWSPAPER

TRAVEL UPDATE

Death Toll in French Alps Is Stable

PARIS — Ninety-five people died climbing in the French Alps this summer, matching the toll last year, police said Tuesday.

But more people were injured this year, and the police carried out more rescue missions. In 1997, there were 1,120 missions and 796 injuries, compared with 1,004 rescues and 688 injuries last year.

Of the victims, 36 were killed on Mont Blanc, Europe's highest peak and the most-visited one in the Alps. The police listed three persons as missing. *(Reuters)*

New Setback for Athens Subway

ATHENS — The chronically delayed expansion of the Athens subway has run into another snag: fears that digging could swallow up parts of one of the city's main boulevards.

Two lanes of the six-lane Panepistimiou Avenue were opened to traffic Tuesday after five days of activity by the construction company to fill areas of loose soil with cement.

The subway was originally intended to be finished by 1996. The extended system, with two new lines adding 17.6 kilometers (10.5 miles) to the city's largely surface rail line, is now expected to be completed in spring 1999. *(AP)*

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WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
Windy and cool in New England and the Northeast Thursday, then sunny and milder by Saturday. Pleasant with lots of sun in the Midwest, but thunderstorms will roam the northern and central Plains. Hot in the Southwest with a few thunderstorms across the southern Rockies.

Europe
Quite warm across central Europe from Hungary and Poland to Germany and southern Sweden, but thunderstorms will erupt from eastern France to Denmark and into western Germany as cool air pushes in from the west. Comfortable with some sun in London, but windy with rain in Scotland.

Asia
Typhoon Bing will be northeast of Tokyo and moving away Thursday, but could still cause rain along the east coast. Hot and dry in northwestern China, while Beijing will be sunny and comfortably warm. Soaking rains will continue in southeastern China. Humid with showers in Seoul.

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	29/84	19/66 s	29/84	21/70 s
Amsterdam	21/70	16/61 sh	23/73	12/53 pc
Ankara	31/88	14/57 pc	32/89	14/57 pc
Athens	34/93	18/64 pc	33/91	18/64 pc
Barcelona	28/82	18/64 pc	27/80	19/66 pc
Belgrade	27/80	14/57 pc	27/80	15/59 pc
Berlin	21/70	10/50 t	26/79	11/52 pc
Brussels	21/70	16/61 sh	23/73	12/53 pc
Budapest	27/80	14/57 pc	30/86	17/62 pc
Copenhagen	24/75	16/61 r	24/75	14/57 pc
Costa Del Sol	29/84	18/64 s	30/86	22/71 s
Dublin	19/66	9/48 c	16/61	9/48 pc
Edinburgh	19/66	9/48 s	16/61	7/44 r
Florence	28/82	18/64 s	29/84	17/62 s
Frankfurt	27/80	17/62 c	26/79	14/57 pc
Geneva	22/71	14/57 sh	26/79	13/55 pc
Helsinki	16/61	10/50 s	20/68	12/53 pc
Istanbul	25/77	19/66 s	24/75	16/61 pc
Kiev	16/61	6/43 pc	17/62	8/46 s
Las Palmas	28/82	21/70 s	27/80	21/70 pc
Lisbon	29/84	19/66 s	28/82	19/66 pc
London	21/70	14/57 r	21/70	13/55 pc
Madrid	31/88	14/57 s	33/91	17/62 pc
Mallorca	27/80	15/59 s	23/73	18/64 t
Milan	28/82	17/62 pc	29/84	18/64 pc
Moscow	12/53	4/39 c	14/57	7/44 pc
Munich	24/75	13/55 t	21/70	13/55 c
Nice	26/79	19/66 pc	27/80	21/70 pc
Oslo	22/71	14/57 pc	24/75	14/57 sh
Paris	21/70	14/57 sh	22/71	11/52 pc
Prague	26/79	15/59 r	26/79	14/57 r
Reykjavik	11/55	9/48 pc	12/53	8/46 c
Riga	19/66	11/52 s	21/70	15/59 pc
Rome	30/86	18/64 pc	28/82	18/64 pc
St. Petersburg	17/62	12/53 s	18/64	14/57 c
Stockholm	21/70	10/50 s	23/73	14/57 pc
Salzburg	29/84	17/62 t	26/79	15/59 t
Tallinn	18/64	12/53 r	19/66	13/55 pc
Tunis	31/88	19/66 s	32/89	19/66 s
Venice	28/82	19/66 s	27/80	19/66 pc
Vienna	28/82	17/62 pc	24/75	16/61 pc
Warsaw	25/77	12/53 pc	23/73	14/57 pc
Zurich	23/73	12/53 c	22/71	10/50 c

Middle East

Abu Dhabi	44/111	27/80 s	43/109	27/80 s
Beirut	34/93	19/66 pc	27/80	21/70 pc
Cairo	31/88	18/64 s	31/88	19/66 pc
Damascus	29/84	11/52 s	31/88	13/55 s
Jerusalem	34/93	13/55 s	29/84	14/57 pc
Luxor	36/97	16/61 s	39/102	19/66 s
Riyadh	42/107	23/73 s	42/107	23/73 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	16/61	8/46 pc	17/62	8/46 pc
Atlanta	32/89	17/62 pc	23/73	12/53 pc
Boston	26/79	11/52 sh	16/61	9/48 pc
Chicago	20/68	8/46 pc	20/68	10/50 s
Dallas	32/89	18/64 pc	30/86	14/57 pc
Denver	32/89	13/55 pc	29/84	11/52 pc
Detroit	20/68	7/44 s	18/64	9/48 pc
Honolulu	32/89	23/73 pc	32/89	23/73 pc
Houston	33/91	20/68 pc	28/82	16/61 pc
Los Angeles	31/88	20/68 s	31/88	20/68 pc
Miami	33/91	24/75 r	33/91	24/75 pc
Minneapolis	21/70	10/50 s	21/70	12/53 s
Montreal	13/55	6/43 pc	13/55	7/44 pc
Nassau	32/89	24/75 pc	32/89	25/77 pc
New York	23/73	12/53 sh	18/64	11/52 pc
Orlando	32/89	23/73 t	32/89	21/70 sh
Phoenix	39/102	27/80 t	41/106	27/80 pc
San Fran.	22/71	13/55 s	23/73	13/55 pc
Seattle	23/73	13/55 pc	22/71	12/53 pc
Toronto	14/57	2/35 pc	14/57	6/43 pc
Vancouver	21/70	11/52 pc	18/64	7/44 pc
Washington	26/79	12/53 pc	21/70	11/52 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	36/97	18/64 s	35/95	21/70 s
Bali	30/86	21/70 pc	31/88	21/70 s
Bangkok	33/89	23/73 r	33/91	25/77 pc
Beijing	31/88	19/66 s	30/86	21/70 s
Bombay	29/84	28/73 pc	29/84	24/75 c
Calcutta	31/88	24/75 c	31/88	24/75 c
Chiang Mai	28/82	23/73 t	29/84	24/75 r
Colombo	29/84	24/75 pc	29/84	25/77 c
Hanoi	31/88	24/75 r	29/84	25/77 sh
Ho Chi Minh	33/89	24/75 sh	31/88	24/75 r
Hong Kong	29/84	24/75 sh	29/84	24/75 c
Islamabad	40/104	25/77 s	39/102	24/75 t
Jakarta	30/86	23/73 pc	30/86	23/73 pc
Karachi	32/89	24/75 s	31/88	25/77 s
K. Lumpur	32/89	23/73 sh	31/88	23/73 r
K. Kinabalu	31/88	23/73 sh	30/86	23/73 c
Manila	29/84	22/71 r	30/86	24/75 c
New Delhi	35/95	26/79 pc	34/93	25/77 sh
Phnom Penh	32/89	24/75 c	30/86	24/75 sh
Pnukat	33/89	23/73 r	33/91	24/75 pc
Rangoon	28/82	22/71 r	28/82	24/75 c
Seoul	26/79	16/61 pc	27/80	19/66 sh
Shanghai	27/80	24/75 t	29/84	23/73 pc
Singapore	30/86	21/70 pc	31/88	23/73 pc
Taipei	32/89	25/77 pc	32/89	25/77 pc
Tokyo	31/88	26/79 pc	30/86	26/79 r
Vientiane	29/84	23/73 r	28/82	23/73 r

Africa

Algiers	28/82	17/62 s	31/88	19/66 pc
Cape Town	14/57	4/39 pc	18/64	11/52 s
Casablanca	31/88	22/71 s	29/84	22/71 s
Harare	26/79	12/53 pc	26/79	13/55 pc
Lagos	28/82	22/71 c	28/82	23/73 c
Nairobi	27/80	11/52 pc	26/79	12/53 pc
Tunis	32/89	19/66 s	28/82	18/64 c

Latin America

Buenos Aires	17/62	12/53 c	19/66	12/53 c
Caracas	29/84	22/71 pc	30/86	23/73 pc
Lima	19/66	17/62 c	22/71	18/64 pc
Mexico City	22/71	13/55 c	23/73	13/55 pc
Rio de Janeiro	23/73	18/64 pc	24/75	18/64 pc
Santiago	13/55	4/39 r	15/59	3/37 pc

Oceania

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Sydney	20/68	12/53 s	19/66	11/52 pc

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HONG KONG	HK$	676	284	57%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
USA	$	78	33	58%

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THE AMERICAS

Zedillo Vows Cooperation; Congress Foes Seek Reforms

By Sam Dillon
New York Times Service

MEXICO CITY — Facing a Congress controlled for the first time by opposition parties, President Ernesto Zedillo has pledged to respect the work of Mexico's newly independent legislature and called on lawmakers to support free-market economic policies he said have fostered growth and modest new spending on schools and hospitals.

Mr. Zedillo's State of the Nation speech Monday, a broad defense of his attempts to fight rising crime, create jobs and increase spending on social programs, was greeted politely but with little enthusiasm.

Porfirio Munoz Ledo, the newly elected speaker of the house who has been a fierce critic of Mr. Zedillo's Institutional Revolutionary Party, delivered an opposition response following the president's speech, an exercise unprecedented in Mexico in this century. He offered to seek common ground with Mr. Zedillo and his party, but pledged a full review of government policies in the upcoming legislature.

Opposition legislators have vowed to review the tax system, attack unpopular economic measures, like a recent costly bailout of wealthy bankers, and to investigate corruption when the new Congress gets down to work later this week.

Opposition lawmakers responded to Mr. Munoz Ledo's address with frequent applause, especially when he vowed to strengthen congressional powers as a curb on what he called "historic excesses" of presidential power.

"From today forward, and we hope forever, in Mexico no power will ever be subordinated to another," Mr. Munoz Ledo said.

In contrast, Mr. Zedillo's most sustained applause came when he offered a boilerplate eulogy to the Mexican armed forces. Both speeches were delivered in front of Mr. Zedillo's cabinet, more than 600 senators and deputies and most of Mexico's 31 state governors.

In the July 6 balloting, four opposition parties won a total of 261 seats in the 500-member Chamber of Deputies, compared with 239 for the Institutional Revolutionary Party. In the weeks that followed, opposition leaders negotiated an agreement to vote as a bloc to harvest the key leadership posts and committees, while reserving the right to disagree later this fall when the time comes to vote on substantive legislation.

The legislature's inaugural working session opened an hour before Mr. Zedillo's arrival with raucous debate as Institutional Revolutionary Party deputies repeatedly heckled speeches by opposition lawmakers.

"We announce today to the people of Mexico that the period of smoke and mirrors legislation, when any presidential initiative won unconditional approval, has finished," Gonzalo Yanez, a leader of the opposition Worker's Party, said in a speech.

"Sit down!" Institutional Revolutionary Party lawmakers shouted back. "Learn how to read!"

Heriberto Rodriguez/Reuters

Porfirio Munoz Ledo, speaker of the house, drawing applause from President Ernesto Zedillo as he replied to the State of the Nation speech.

POLITICAL NOTES

Both Parties Grope For Election Fodder

WASHINGTON — With the economy strong and the balanced-budget fight behind them, Democrats and Republicans find themselves groping for economic issues to argue about when they return to Washington this week.

Part of the problem, strategists from both parties acknowledge, is that economic issues simply don't stir voter passions when times are so good: when inflation is subdued, the jobless rate has fallen to a three-decade low and the stock market remains buoyant. Indeed, many economic policy entrepreneurs say they are writing off the next two years and concentrating on ideas that will resonate in 2000.

Equally vexing, however, is that policy proposals being debated in both camps seem as likely to highlight intraparty differences as to draw clear distinctions between parties.

White House economic advisers, reflecting President Bill Clinton's interest in securing his legacy, are pondering long-term challenges — how to increase productivity through improvements in education, for example.

"It's one of those rare moments when you have a chance to step back and reflect on your fundamental priorities," said Gene Sperling, chairman of the president's National Economic Council. *(WP)*

Laptops in Senate? Screen Is Frozen

WASHINGTON — Shortly after he was sworn in, Mike Enzi, a freshman Republican senator from Wyoming, asked the Senate parliamentarian whether he could bring his laptop computer onto the Senate floor. Ask the sergeant at arms, he said.

It turned out that Senate Rule IV authorizes "mechanical devices" in the chamber when the sergeant at arms deems them "necessary and proper" to conduct official Senate business, and as long as they "do not in any way distract, interrupt or inconvenience" others.

Gregory Casey, the sergeant at arms, explained that he couldn't deem anything without Senate guidance, so the answer was "no." In May, Mr. Enzi, a gentle-spoken former shoe store owner and the Senate's only professional accountant, asked the Rules Committee for permission.

The panel asked Mr. Casey for a report, which he presented to the committee on July 31, 1997, which may live in American history as the date when the U.S. Senate saw the future and gave it a raspberry.

The committee's ranking minority member, Senator Wendell Ford of Kentucky, 72, didn't want to be "an old fogy," and said he was hip enough to notice that some of the younger senators treated laptops like legal pads. But if he was trying to encourage younger colleagues, he needn't have bothered. Senator Kay Bailey Hutchison, 54, a Texas Republican and a senator since 1993, had already weighed in, and she didn't like it. At all. Other senators, some even younger, agreed.

The committee chairman, John Warner of Virginia, 70, and a cagey four-term veteran, ordered copies of the report given to all senators, after which the committee would meet again. Stay tuned. *(WP)*

Quote / Unquote

Victor Kamber, a labor consultant who has worked for Democratic candidates, saying the relationship between the White House and the labor movement will be awkward because the two sides are at odds over coming issues like expanding the trade agreements: "You've got several issues where labor wants to find itself in opposition to the president, yet wants to be supportive of him because they have nowhere else to go." *(NYT)*

Congress Back, in Relaxed Mood

Members Detect Little Pressure From Contented Constituents

By Helen Dewar and John E. Yang
Washington Post Service

WASHINGTON — With little guidance from an undemanding and largely tuned-out electorate, Congress began returning Tuesday from its monthlong summer recess to figure out what to do for an encore now that it has enacted its huge and generally popular budget-balancing and tax-cutting plan.

If they listen to their constituents, lawmakers may simply take care of the necessary business and head right back home again, possibly in two months or less. Only a few contentious struggles, such as campaign finance reform, could complicate a smooth slide toward adjournment.

"As opposed to a couple of years ago when I was campaigning, I don't sense much passion out there," said Senator Chuck Hagel, Republican of Nebraska, after a month of making the rounds at home. "There's not one big, dominant, passionate issue. The general feeling is keep doing what you're doing, don't get distracted by political sideshows, and keep government off my back and out of my life."

In Sacramento, people talked a little about the United Parcel Service strike and contaminated hamburgers but had virtually nothing to say about what Congress should be doing for the rest of the year, said Representative Robert Matsui. Mr. Matsui, a Democrat, had expected some flak for voting against the tax bill but got none. No "afterglow" for the budget deal either. "People are pleased with the economy and reasonably happy," he said.

According to many lawmakers, Congress is under more pressure to suppress its normal contentiousness than it is to embark on any tempestuous new crusades, despite both parties' perceived needs to sharpen their messages for the congressional campaigns next year.

As a result, congressional leaders have scheduled few, if any, bombshell initiatives for the remainder of the 105th Congress's first session and are pushing for adjournment by the end of October, if not before, unusually early for a nonelection year.

Congress has many heavyweight issues on its agenda, from transportation funding and juvenile crime to the proposed tobacco deal, hazardous waste cleanup, overhaul of housing programs and a new trade negotiating authority for President Bill Clinton.

Some lawmakers may try to force votes on major reform initiatives, such as revamping campaign finance laws, but their prospects are not helped by the country's mellow mood and apparent lack of interest.

With the Senate back on Tuesday and the House on Wednesday, the main order of business will be final action on the 13 regular appropriations bills for the fiscal year that starts Oct. 1.

Those bills contain contested provisions about abortion, census methodology and national educational testing. But spending priorities were largely determined by the bipartisan budget deal, and Republican leaders are determined to avoid the kind of brinkmanship that forced partial government shutdowns during budget fights two years ago.

Newt Gingrich, the House speaker, has two priorities, both involving provisions dropped from the budget deal at Mr. Clinton's insistence and both of which Republicans believe can be pursued to their advantage.

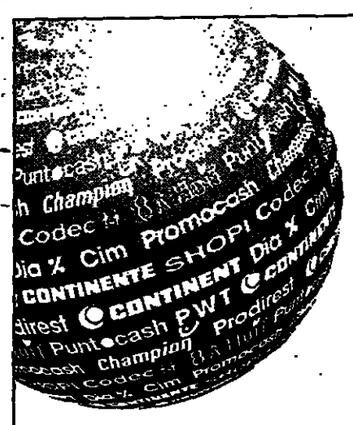
One would exempt welfare recipients from various federal workplace standards as they seek work. The other would allow parents to use tax-free savings to finance tuition and other costs for elementary and secondary education, including private and parochial schools.

On the top of his list, the Senate majority leader, Trent Lott of Mississippi, puts these two items along with legislation to revamp the Food and Drug Administration, reauthorizing highway and other transportation programs, and a bill that would impose sanctions on foreign governments that do not allow free religious expression — a top priority for the Christian Coalition.

Mr. Clinton's big new priority is approval of legislation to allow "fast track" congressional approval of trade agreements, meaning acting on them as presented, without amendments.

Away From Politics

- **Shoppers are taking advantage of a test week** across New York City, Long Island and Westchester County, in which the city and state are omitting sales taxes on clothing. *(NYT)*
- **Four men and a woman died** at Bremerton, Washington, when a small plane carrying skydivers crashed. Later, across Puget Sound, several people were injured when the nose gear of an Alaska Airlines jet collapsed. *(AP)*
- **Baptist leaders in Denver** have forgiven the Reverend Henry Lyons, dropping an investigation into allegations he spent funds on luxury items for a female aide. (AP)



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First-Half 1997 Financial Results

FF millions	June 30, 1997	June 30, 1996	% Change
Net sales	51,822	49,383	4.9%
Earnings before interest, taxes and exceptional items	1,085	807	34.4%
Earnings before taxes and exceptional items	1,153	825	39.8%
Net income	634	383	65.5%
Net income excluding minority interests	528	317	66.2%

Consolidated net income for six months ended June 30, 1997 reflected the generally favourable sales and market trends at the Group's operating companies, as well as the benefits of last year's refocusing of the business portfolio, notably the divestment of Promohypermarkt, the German hypermarket subsidiary.

Consolidated interim sales increased by 4.9% during the period, and by 6% at comparable scope of consolidation and constant exchange rates. Excluding Germany, sales would have risen by 12%.

In France, sales gained 4.7%, led by good results from the Continent hypermarket chain and the Champion supermarket chain, both of which outperformed the market on a same-store basis.

In Spain, sales rose by 5.1%, reflecting continued satisfactory growth for Dia and renewed growth in same-store sales for Continente. Four new Continente hypermarkets, including a franchise outlet, are scheduled to open by year-end.

In Italy, sales include Gruppo G and are therefore not comparable with last year's figure. A new Continente hypermarket was opened during the first half.

Elsewhere, sales rose by 14.6% in Greece, assisted by the opening of a new hypermarket in Salonika in 1996 and by stronger sales from Dia Hellas, Maxidiscompte's Greek subsidiary. Dia in Portugal and Continente in Turkey posted satisfactory growth, with sales up respectively 44.6% and 25.7%, in line with expectations*.

Interim 1997 earnings before interest, taxes and exceptional items increased by 34% compared with the same period the year before. Excluding Germany, growth would have been 17%. France accounted for half of the gain, and Spain and Italy for the remainder.

Cash flow exceeded capital expenditure over the period. As a result, net financial income continued to improve, at FRF 68 million versus FRF 18 million, underpinning a 39.8% rise in earnings before taxes and exceptional items.

Net exceptional income improved by FRF 38 million, helped by the decision to record store opening expenses as an operating expenditure as of this year. Income from companies accounted for by the equity method rose by FRF 25 million.

Income taxes include the impact of the new tax measures in France for FRF 23 million.

Net income for the first half of 1997 increased by 65.5%. Excluding minority interests, growth was 66.2%. Excluding Germany, net income after minority interests would have risen by 17%.

Consolidated sales for July were up by 10.7% compared with the previous period, mainly because of the deconsolidation of the German subsidiary Promohypermarkt in second-half 1996. This indicates an increase in full-year 1997 consolidated sales of approximately 7%.

*Sales growth is expressed as a percentage of sales figures translated into French francs.

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Romania Investment Summit

Athenée Palace Bucharest Hilton, October 29-30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the reforms Romania is putting in place in a bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune will convene a major investment summit in Bucharest on October 29-30, 1997.

President Emil Constantinescu will give the opening keynote address of the Romania Investment Summit. He will also host a special dinner for speakers, delegates and guests on the evening of October 29 at Cotroceni Palace.

The fact that President Constantinescu has agreed to support this summit as an integral part of the Romanian government's efforts to attract foreign investment is a measure of the importance of the summit.

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THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

JAPAN: *Pension Lab for an Aging World*

Continued from Page 1

rupted by the ailing economy and a stifling regulatory climate.

He had been expecting a lump-sum pension payment of 2.21 million yen ($18,300), but that has been reduced to 880,000 yen.

"I'm just infuriated," Mr. Hayahara said. "I believed in the system and look how it turned out. I've been betrayed."

"I wanted to do something good for my wife, who has had a harsh life, but now that the pension will be reduced, my dream has evaporated," he added. "We were putting in our own money. What we thought would be for our retired life has disappeared."

Japan's experience is relevant precisely because it is not unique, just ahead of its time. Many experts say that other countries face similarly difficult outlooks, as the populations born after World War II all begin to age.

By comparison, America is aging more slowly than Japan, and — at least for now — its Social Security retirement program is running decent surpluses. Elderly Americans will make up only 20 percent of the population by 2030; in Japan, they will account for 25 percent of the population by 2015.

The Japanese are legendary savers, and worries about their future have already driven them to accumulate an average of 9.6 million yen in savings for each man, woman and child.

But even this tendency to save may be in jeopardy, for in general most people save money in middle age and then spend it after retirement, so that an elderly population is expected to have a much lower savings rate.

For the rest of the world, that means that Japan may no longer be the source of excess savings that are channeled into investments abroad, propping up foreign bond markets.

"The savings rate could be zero or negative by 2010," said Charles Horioka, an economist at Osaka University who has analyzed the savings habits of the elderly. "Japan will have less savings, less money to finance investment and the economy won't grow as fast."

In any case, since other countries are not far behind in their own aging process, Japan will be forging a plan from which others may learn.

That is, if it comes up with a plan. Many economists argue that the government has been slow to revamp the nation's archaic pension system, a pay-as-you-go plan like America's and most others in the industrial world.

The government pension system has generally tried to provide enough funds to cover all of a retiree's daily expenses. Every Japanese worker is required to join the national pension system and some also join supplementary corporate plans. Most workers pay at least the basic fixed monthly amount, around 12,700 yen, into the national system regardless of how much they earn.

But many individuals, mainly the self-employed, are not making their contributions to the national pension system because they no longer trust it. Failure to contribute is technically illegal but quietly tolerated.

Japan's complex social security system embraces a network of public, corporate and individual pensions plans with numerous quirks and peculiarities that have developed over the years.

As in Mr. Hayahara's case, many employees join company pension plans to supplement the national program, and the troubles of the economy since the stock market collapsed in the early 1990s have plunged numerous pension funds into bankruptcy. Interest rates are at rock bottom in Japan, with the benchmark overnight lending rate at 0.5 percent.

In the meantime, pensioners are making out well, for many of them joined pension plans later in their working lives but collect full benefits.

The result is that young and middle-aged workers are effectively subsidizing the elderly.

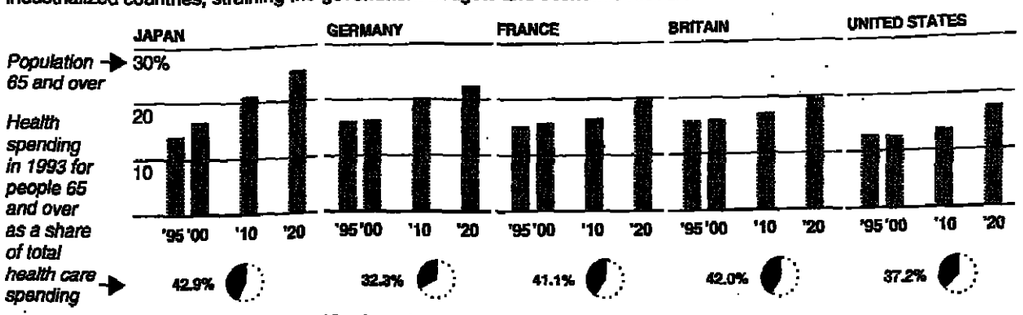
"If we keep the structure of the present system unchanged, then there will be intergenerational inequities," Mr. Horioka said.

"The younger are getting less than they paid, losing out to the older people who are making out like bandits."

Many company pensions do not have enough money in reserve to cover their future payouts comfortably, and collectively, publicly listed companies could be underfunded by as much as 40 trillion yen, according to estimates by Watson Wyatt, a pension consulting firm in Tokyo.

Aging Societies

Projections show that the elderly are becoming an increasingly large share of the populations of many industrialized countries, straining the government budgets and economic resources of those countries.



Source: Organization for Economic Cooperation and Development

The New York Times

Fumiyo Asahi/The New York Times

As Japan ages faster than the rest of the industrial world, these citizens are facing major changes in their pension and retirement programs.

BRIEFLY

Joint Exercises Set In Mediterranean

ANKARA — Turkey, Israel and the United States are to hold joint naval exercises in the eastern Mediterranean in November, an Israeli Embassy spokesman said Tuesday.

"They will take place at some time between Nov. 15 and 25," he said, adding that the three navies would rehearse search-and-rescue operations in international waters.

Syria reacted angrily, expressing "astonishment" at the announcement of a U.S. role in the exercises as Secretary of State Madeleine Albright prepared to visit the Middle East. *(Reuters)*

Television Worker Slain Near Algiers

PARIS — Islamic fundamentalist rebels were suspected of killing an Algerian television director's assistant over the weekend, cutting her throat in an Algiers suburb after stopping her at a fake checkpoint, Algerian newspapers reported Tuesday. The news coincided with a report in the London-based Al Hayat that official figures showed that 256 people had died in the massacre last week at Sidi Rais. *(Reuters)*

Thrust by Comoros?

MORONI, Comoros — The Organization of African Unity urged the government of Comoros on Tuesday to resolve a secession crisis peacefully and abandon what appeared to be the start of military intervention.

The secretary-general of the organization, Salim Ahmed Salim, sent the message as fears of a military showdown mounted. Witnesses said about 300 troops had sailed from Moroni, possibly heading for the breakaway island of Anjouan. *(Reuters)*

Peru Military Drill

LIMA — The Peruvian military said it had begun a large six-day exercise of its air, land and sea power in zones along the country's disputed northern border with Ecuador.

The head of the military, General Nicolas de Bari, said they were routine, defensive maneuvers and disaster-relief drills. *(Reuters)*

CHINA: *After Years of Intolerance, the Gay Community Is Quietly Finding an Open Place in Urban Society*

Continued from Page 1

before," said a 28-year-old fashion designer in Beijing. "I think most of my gay friends now accept it in themselves. But if you can't tell your family or colleagues, how open are you?"

There is no law against homosexuality in China. In the past, the police have arrested people and charged them with hooliganism or disturbing public order simply for gathering in places where homosexuals were known to meet; such incidents are becoming less frequent.

Wan Yanhai, a former health official in China and now a visiting scholar at the University of Southern California, said that while life was gradually becoming easier for homosexuals, the authorities were still nervous about any sort of homosexual-related organization that they could not fully control.

Mr. Wan helped set up and run an AIDS telephone line in Beijing in 1992, when the authorities also allowed several books about gay life to be published. But he was forced to close down the phone line a year later after he began speaking out about homosexual rights, and he was dismissed from his job at a public health institute the following year.

"The government no longer has a problem with gays; it has a problem with political organizations," Mr. Wan said. "As long as you don't organize or speak out, you can do what you want."

A landmark case involved two lesbians who were arrested for living together in Anhui Province in 1992. But after lengthy internal debate, the Ministry of Public Security ruled that there was nothing illegal about two people of the same sex living together.

Although homosexual women say life is changing for them as fast as it is for homosexual men, they have fewer public gathering places.

"The pickup attitude that a lot of men have is less true for women," said a 29-year-old public relations executive in Beijing, who acknowledged that she was a homosexual. "We use more informal networks, going through friends."

One of the driving forces behind the growing openness, several scholars agreed, is China's economic growth and the increased open-mindedness that have accompanied it. "People are busy, they're making money and they don't care about your private life," said a sociologist in Beijing. "Before, people were idle and liked to tell you how to lead your life, but that's changed."

As with any touchy issue in China, official practice varies from city to city, and town to town. In many places, homosexuals still face possible dismissal from work if their sexuality becomes known to their superiors. At the same time, a growing number of their colleagues may accept it.

"Everything is becoming much more open," said a manager at the restaurant with the cross-dressing singer. "Gay people themselves are starting to understand that the way they live is natural."

Yet, he acknowledged that one reason his restaurant was so popular among gay people was that it was one of the few places where they feel completely comfortable. Shanghai's main public meeting place for homosexual men is just two blocks from the restaurant and directly across the street from a police station. Hundreds of men gather there each evening, some holding hands as they wander along the tree-lined paths, while others chat as they congregate on low-lying benches. A murmur of conversation fills the summer air.

"You can do it, but you can't talk about it," said one 37-year-old man. "At least I'm not afraid to come to a place like this and meet other people. That's progress."

But homosexuality is still classified as a mental disorder by the Chinese Psychiatric Association, and psychologists typically regard the sexual orientation of homosexual patients as an illness than can be cured. Many homosexual men say they still wonder what is wrong with them.

"I think I'm missing a gland or something in my brain," said a 30-year-old hotel worker in Shanghai, who was looking for conversation in the park known as a homosexual hangout. "I read that in a newspaper: that homosexuals are the same as everyone else except that we are missing some gland."

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MIR: *Inquiry Blames Cosmonauts for Collision*

Continued from Page 1

module attached to Mir and puncturing the module's aluminum hull.

The Spektr had to be sealed off, and the Mir lost nearly half its electrical power.

Theories about the cause included the possibility that three men had inadvertently accidentally stuffed too much garbage into the cargo ship, making it harder to control.

One Russian newspaper, citing an unidentified source, claimed Mr. Tsibliyev had failed to properly record in Mir's computer the extra weight on the cargo ship.

Other Russian papers said that in simulations of the incident conducted afterward, several highly experienced space pilots also "crashed" the ship.

Officials at the Russian Space Agency said an inquiry could not determine what happened until the men arrived back on Earth on Aug. 14. But a week before their return, President Boris Yeltsin — presumably briefed by space officials — said it looked like a case of human error.

"Such a categoric conclusion that the crew is to blame sounds rather strange," a news anchor for Russian Television said in a brief commentary Tuesday.

He noted the crew was plagued by equipment breakdowns throughout its six-month mission.

Mr. Tsibliyev, who was the Mir commander, and his flight engineer, Mr. Lazutkin, apparently anticipated such a judgment. Following their return, they blamed the Mir's rundown equipment for the collision and expressed bitterness at being found at fault by Mr. Yeltsin and the media.

"It has been a longtime tradition here in Russia to look for scapegoats," Mr. Tsibliyev said after his return. He said he could not explain why the cargo ship spun out of control, only that "there is no specific person to blame."

Meanwhile, the Mir's current crew tried on special spacesuits to simulate conditions for a spacewalk this weekend in which they will try to find and patch holes in Spektr.

Kenya Boycotts Talks on Burundi

Reuters

DAR ES SALAAM, Tanzania — A meeting of African leaders on Burundi's ethnic crisis will begin in Tanzania on Wednesday night but one key regional leader, President Daniel arap Moi of Kenya, will not attend.

A senior Kenyan official said in Nairobi that Mr. Moi was frustrated with "holier than thou" countries that had demanded tough sanctions against Burundi but failed to enforce them.

Contact Is Cut With a Rebel Comoros Isle

Agence France-Presse

MORONI, Comoros — Air, sea and telephone links were cut Tuesday between Moroni, capital of the Comoros, and the separatist island of Anjouan, scuttling a mission to the island by a special African envoy.

Pierre Yere, envoy of the Organization of African Unity, said that the Anjouan airport had been closed and that his plane had been ordered not to take off from Moroni.

Mr. Yere had been expected in Anjouan on Tuesday for new consultations with separatist leaders ahead of OAU-sponsored talks set to begin next Wednesday in Addis Ababa. The separatists say that their political and economic interests are being ignored.

DUTIES: *Last-Ditch Appeal*

Continued from Page 1

Without duty-free, the industry claims, airline and ferry tickets would cost more, and some thinly traveled ferry routes would be wiped out without the subsidies from onboard duty-free sales.

It remains unclear whether the last-gasp effort can succeed, 50 years after Europe's duty-free industry was founded in a small airport kiosk in Shannon, Ireland.

The approval of all 15 EU finance ministers would be necessary. Thus far, the lobbyists say they can count only on Germany, Spain, France, Greece and Italy.

As for vacationers, they have mixed views about the value of duty-free.

Eric Stranex, from Preston, England, took a cruise to Calais, on the ferry and said he got a better deal buying his Belgian beer in France, even paying the French duty.

In France, he paid about 10 pence (16 cents) for a small bottle, compared to the 40 pence he pays at home, and he was not restricted in the quantity he was allowed to buy as he would have been in a duty-free store.

Duty-free shops limit purchases to just three or four bottles of wine and spirits.

The British government allows its citizens going to France, Spain or other cheaper countries to bring home 120 bottles of wine, several hundred cans of beer and a few dozen bottles of spirits and fortified wine — and no questions are asked.

"As far as duty-free is concerned, it seems a waste of time," Mr. Stranex said. But his wife, Pauline, disagreed. "It's exciting when you get that little something duty-free," she said.

Some nations, such as Britain, impose taxes on liquor and tobacco that are much higher than their neighbors.

Many Britons ride the ferries so they can stock up on cheaper alcohol and tobacco in France, and end up saving enough to pay for the fare. Duty-free prices are also cheaper than those in Britain, but with limits on quantity, it is impossible to make the type of huge savings enjoyed by day-trippers who come back with a car bursting with booze.

Duty-free sales will continue for people flying between EU nations and other countries. One of the top European players, the British airport operating company BAA PLC, made a big U.S. acquisition in August to hedge its bets.

BAA paid $674 million for Duty Free International Inc., which operates about 175 duty-free stores in 14 international airports, including Kennedy and La Guardia in New York, O'Hare in Chicago and Logan in Boston.

But the traveler on the ferry has no such chances of beating the system.

A French taxi driver, Raymond Lebrun, purchased duty-free cigarettes for 120 francs ($20) that would have cost him 180 francs at home. He lamented the idea of bringing the savings to an end. "It's bad because it's a good deal for everybody," Mr. Lebrun said.

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REPUBLIC OF LEBANON
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

Announcement to participate in the tender for land reclamation, environmental and infrastructure works for "The Reclamation and Development of North Beirut Littoral" called "LINORD Project".

LINORD Project is one of the largest environmental and development projects in Lebanon. The project parallels other schemes which will upgrade the infrastructure and environment in the country. The project will improve the littoral area between Nahr Beirut and Nahr Antelias, creating a development for residential, touristic and commercial area, also providing public works and addressing environmental issues.

The Government of Lebanon represented by the Council for Development and Reconstruction (CDR) calls for a public and restricted tender in connection with the Finance, Design, Construction and Warranty of Sea Defences, Land Reclamation, Harbour Works, Rehabilitation of Bourj Hammoud Waste Dump, Sewage Pre-treatment Headworks and Infrastructure Works for LINORD Project, including transfer of public related works and other obligations to the Government of Lebanon.

The project will be tendered on a Finance, Design & Build "Contrat d'Engigage" based on a Concept Master Plan, Technical & Legal Conditions, Employer's Requirements and Design Criteria/Brief.

A Conceptual Master Plan and Conceptual Engineering Design will be included in the tender file for reference purposes. Alternative design concepts and modifications to the Conceptual Master Plan may be submitted and will be duly considered.

The total overall area of the LINORD Project to be reclaimed/developed according to the Conceptual Master Plan amounts to approximately a Gross Area = 2,400,000 m² with a Net exploitable Area approximately = 1,200,000 m².

The Successful tenderer will receive a proportion of the land reclaimed in return for undertaking the following :

1) Cost of financing the Sewage Coastal Collector between Ras Beirut and Nahr El Kalb = US$47 Million.
2) Cost for preliminary studies = US$10 Million.
3) Provision of 260.000 m² of land for a future Secondary Sewage Treatment Plant.
4) Rehabilitation of the existing Bourj Hammoud Waste Dump and converting it into a 260.000 m² District Park.
5) Execution of the Sewage Pre-treatment Headworks, rehabilitation and protection of existing Sea Outfalls.
6) Construction of Coastguard and Fishing Harbours at Dbayeh.
7) Provision of 300.000 m² of land as a Tank Farm to be sold for Oil & Gaz Companies.

Interested parties should note that this tender is restricted to Tenderers with sufficient financing and experience to undertake and manage a project of this nature. The Tenderer shall pledge to employ experienced marine contractors, design consultants, specialized geotechnical and soil improvement companies and environmental firms for the preparation of a final design and the execution of the project.

The Tenderer shall also undertake to establish a Lebanese Joint Stock Company with a share capital in Lebanese Pounds equivalent to not less than US$200 Million for the execution of the project.

Tenderers will need to submit, with the tender, a letter from a prime bank acceptable to the Employer, stating their financial capability to undertake a project of this magnitude.

The bidding documents may be purchased as from Thursday 4th of September 1997 during working hours, by interested bidders upon payment of US$20,000 (Twenty Thousand US Dollars) by a bank certified cheque in the name of the Council for Development and Reconstruction.

Bids shall be delivered to CDR to the address given below at or before 12:00 noon (Beirut local time) on Thursday 18th of December 1997.

Further information may be obtained from, and bidding documents shall be inspected at, the offices of : Council for Development and Reconstruction - Tallet El-Serail - Beirut - Lebanon - Fax No. : (961-1) 647 947 / 864 494

EUROPE

Bosnian Serbs Offer Deal

For Transmitter, They Will Soften Criticism

The Associated Press

BRCKO, Bosnia-Herzegovina — Backers of Radovan Karadzic pledged Tuesday to temper a vicious media campaign against foreign organizations in Bosnia if NATO troops yield a transmitter to Bosnian Serb television.

Seeking a breather in their struggle over the media, Karadzic backers signed an agreement aimed at ending confrontations between stone-throwing Bosnian Serbs and the NATO-led peace force.

In the latest such clash Monday, a mob challenged U.S. soldiers guarding the transmitter. The soldiers — part of the peace force — fired a tear gas canister after the crowd grew to 350 and temporarily detained four demonstrators before handing them over to Bosnian Serb police. There were no injuries.

The soldiers moved on the transmitter on Mount Majevica, 150 kilometers (90 miles) east of Banja Luka, last week after backers of Mr. Karadzic, the wartime Bosnian Serb leader and indicted war criminal, broadcast calls for violence against foreign organizations.

Officially, NATO said the transmitter was secured to prevent opposing Serb factions from battling for its control.

Even as the media war eased, potential conflict was building on another front. With Karadzic backers apparently ignoring a Sunday deadline restricting heavily armed special police, a NATO spokesman, Major Chris Riley, said that the peace force "will undertake appropriate action" against them.

Mr. Karadzic depends on special police units to guard him against any attempt by NATO commandos to seize him and fly him to trial at the UN war crimes tribunal in The Hague.

With many Bosnian Serbs depending exclusively on television and radio for their information, control of transmitters and other broadcasting equipment has assumed primary importance for the rival Bosnian Serb camps.

■ Atrocity Suspect Arrested in Croatia

The Croatian police have arrested a man who confessed in a newspaper interview published Monday to wartime atrocities leading to the deaths of 86 people, the Interior Ministry said in reports published Tuesday, Agence France-Presse reported from Zagreb.

Miro Bajramovic, a Bosnian Croat who fought for Croatia after it declared independence in 1991, was arrested late Monday in his home in Dodosac, south of Zagreb, the ministry said.

Laurent Rebour/The Associated Press

FUGITIVE AMERICAN — Ira Einhorn, on the run since 1979, leaving a court in Bordeaux, after a hearing Tuesday on a U.S. extradition request. The self-styled hippie, 57, was tried in absentia in Philadelphia and sentenced to life in prison in a woman's death. The French court will rule Sept. 23.

2 Cases Light Up the Trail of Italy's Illicit Cigarette Trade

By Raymond Bonner
New York Times Service

BRINDISI, Italy — Smoking is such a part of Italian life that consumption is not measured in cigarettes, packs or cartons, but in tons — more than 25,000 tons last year.

And in a country where organized crime and smuggling are part of the landscape it is not surprising that a substantial portion of the cigarettes here — nearly one in five, or 4,693 tons — are contraband.

Cigarette smuggling in Italy has flourished for several reasons, including an ill-fated decision in 1992 to ban the sale of Marlboros after the authorities concluded that Philip Morris Cos., which makes the brand, had some complicity in the smuggling. The ban led to a surge in smuggling before it was lifted.

Still, smuggling continues because of high tobacco taxes and because Italy has long tolerated street vendors hawking contraband cigarettes.

Two criminal cases provide some unusual detail of how smuggling operates in Italy. In one broad racketeering case that is on trial in the Adriatic city of Brindisi, about 60 defendants are described in an arrest warrant as members of a "Mafia-like association," which buys "enormous quantities of cigarettes directly" from the tobacco companies.

The criminal organizations sign contracts with the tobacco companies, and the criminals have so much economic power that they insist that the company not sell to any of the gang's competitors, according to an arrest warrant in the case.

In another case, Augusto Arcellaschi, who is described by law enforcement officials as one of Europe's major cigarette smugglers, is to go on trial in Belgium this month on charges growing out of smuggling a billion Marlboros from Antwerp, through Switzerland into Italy.

According to the charges against him, during two months in 1993, Mr. Arcellaschi smuggled 113 truckloads of Marlboros to Italy.

Mr. Arcellaschi allegedly has been smuggling Marlboros into Italy for more than a decade, according to criminal records in Italy and investigators with the European Union's anti-fraud unit.

Philip Morris, which makes Marlboros, denied that it had sold cigarettes to Mr. Arcellaschi or to any of the other individuals who have been charged.

Mr. Arcellaschi declined to comment, and his lawyer, Filippo Ferrari, refused to discuss any of the accusations.

While Philip Morris says it does not knowingly sell to smugglers, it benefits from the trade. Marlboro's market share in Italy jumps 15 points, to 70 percent, when contraband is included, Italian officials said. On the street, a pack of contraband Marlboros sells for about a third less than a legal pack.

"I am personally sure that they know the final destination of their cigarettes," Nicola Piacente, a prosecutor in the racketeering case here, said about Philip Morris and other tobacco companies. "But they have excuses and arguments that they don't."

In fact, none of the companies has been charged with wrongdoing. Essentially, the companies say that they sell to middlemen and are not responsible for what happens with the cigarettes after that.

Two organized criminal groups in Italy take in more than $600 million a year from the illegal trade in cigarettes, Mr. Piacente said.

Evidence in the racketeering case Mr. Piacente is pursuing includes wiretaps in which a purchase of cigarettes from Philip Morris is discussed, according to official documents. In one conversation monitored by the police, at 11:44 A.M. on June 20, 1993, the warrant said, Benito Leo received a phone call from Cosimo Pupino, "who informs him that he has just concluded a deal directly with Philip Morris to buy Original 05 Marlboro and Merit." Both Mr. Leo and Mr. Pupino are defendants.

Two weeks later, at 7:40 P.M. on July 3, according to the warrant, Mr. Leo received another call from Mr. Pupino. This time Mr. Pupino reported that "he had reached an accord with Philip Morris to buy 10,000 cases of Original Marlboro 05 at the price of $230 a case."

According to the warrant, Mr. Pupino said that he had "managed to get favorable conditions both for the price and for the terms of payment," but that the deal "is conditioned on the payment of a security deposit to a bank account in Switzerland."

"Get moving, this is a good deal, directly with Philip Morris," Mr. Pupino told Mr. Leo, according to the warrant.

Philip Morris denies it ever sold cigarettes to Mr. Pupino or Mr. Leo. Neither of these men "is or has been a customer of Philip Morris, or, to the best of our knowledge, a customer of any of our customers," said Andre Reiman, a senior vice president with Philip Morris Europe, which is based in Lausanne, Switzerland.

As for Mr. Arcellaschi, a decade ago he was convicted in Italy of smuggling more than 2,000 tons of cigarettes, mostly Marlboros, into the country and was sentenced to six years in jail. After serving part of his sentence, he moved to Lugano, Switzerland. As long as he remains in Switzerland, Mr. Arcellaschi may be safe from the prosecutors in Italy or Belgium because he is unlikely to be extradited there.

BRIEFLY

French Minister Faces Inquiry

PARIS — Justice Minister Elisabeth Guigou is being investigated over an allegation that she defamed Xaviere Tiberi, wife of the mayor of Paris, lawyers said Tuesday.

They said the case, which could lead to a trial, is centered on comments Mrs. Guigou made on the TF1 television channel in March in which she questioned the value of a report written by Mrs. Tiberi, said the lawyers, Jean-Pierre Mignard and Eric Diamantis.

Mrs. Guigou became justice minister in June, and was not in the cabinet at the time of her critical statement about Mrs. Tiberi's report.

Mrs. Tiberi was accused of misuse of public funds over a report she wrote for a regional council south of Paris, for which she was paid 200,000 francs ($30,000). The report was said to be bogus, but the case against her was dropped in July because of procedural irregularities. *(AFP)*

German State Accepts Algerians

FRANKFURT — The northern German state of Schleswig-Holstein said Tuesday it would stop sending Algerians who fled strife in their homeland back to their country.

In the past week, hundreds of people have been murdered in Algeria in a brutal power struggle between Islamic extremists and the military-backed government.

Under German asylum laws, only refugees who risk political persecution are eligible for asylum. Many Algerians whose lives are threatened by armed Islamic groups do not qualify.

Schleswig-Holstein's interior minister, other politicians and refugee organizations have urged the German government to change the asylum laws.

About 8,000 of the 23,000 Algerian refugees living in Germany face deportation, according to refugee organizations. *(AP)*

Yeltsin Wants Journalists Freed

MOSCOW — President Boris Yeltsin said Tuesday he wanted a feud over the imprisonment of Russian journalists in Belarus resolved before he meets the Belarus president next weekend.

"Everything should be cleared out by then," the Interfax news agency quoted Mr. Yeltsin as saying. The Kremlin has demanded the release of two reporters of Russian Public Television who have been held in Belarus and charged with trying to violate its border with Lithuania.

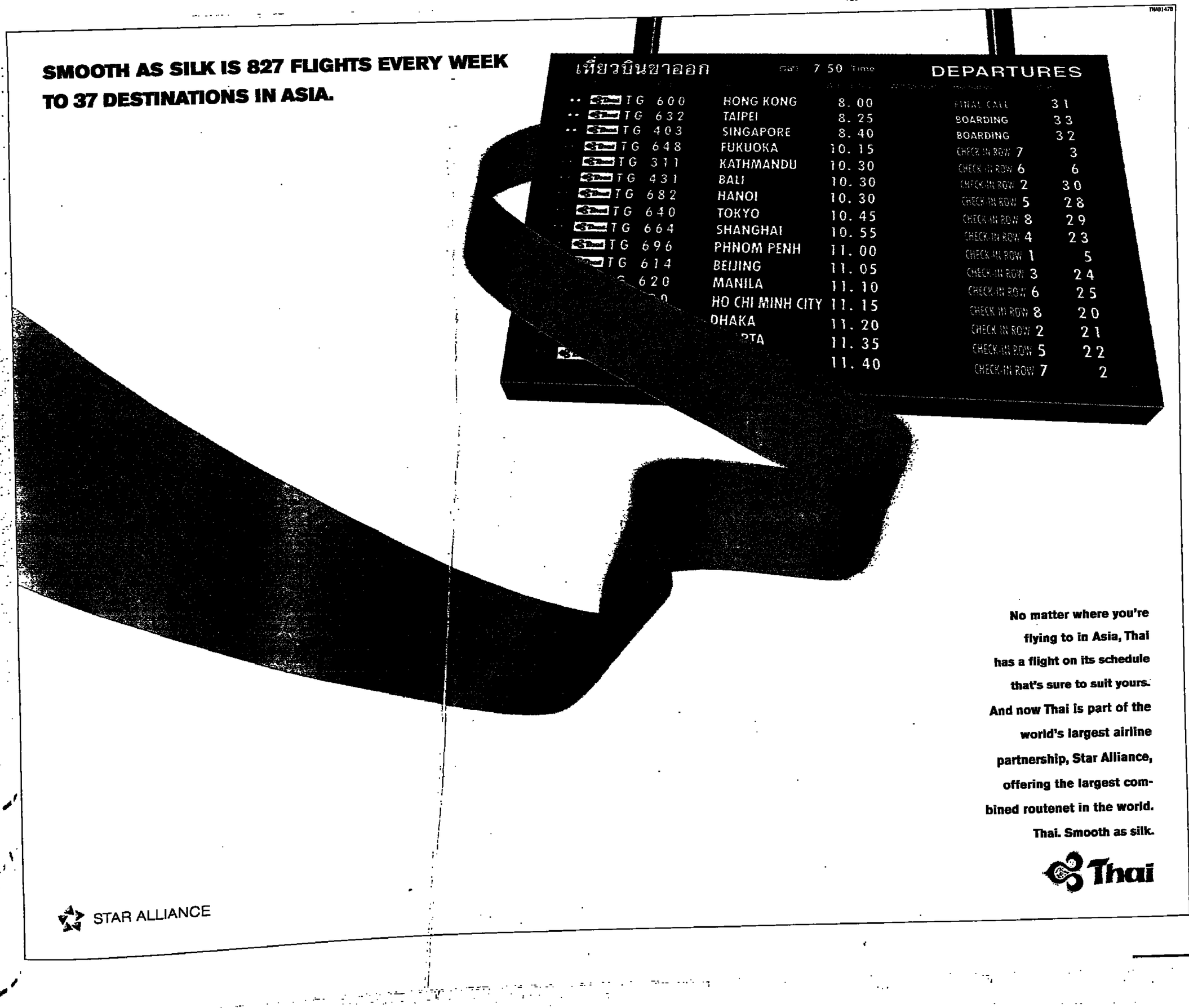
Mr. Yeltsin said during a regular meeting with Prime Minister Viktor Chernomyrdin that he would meet the Belarus president, Alexander Lukashenko, in Moscow on Saturday. *(Reuters)*

3 Danish Neo-Nazis Convicted

COPENHAGEN — A Danish jury found three neo-Nazis guilty Tuesday of trying to send letter bombs to targets in Britain, officials said.

The defendants, Thomas Derry Nakaba, Michael Volder and Nicky Steensgaard, were convicted of preparing three letter bombs. One was addressed to the British television personality Sharron Davies, a white who is married to the black athlete Derek Redmond.

The jury rejected pleas of clemency. *(Reuters)*



EU Shrugs Off Boycott Hint By Malaysia Over Burma

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission dismissed Tuesday threats by Malaysia to boycott a major Europe-Asia meeting, saying that Burma's participation was not an issue for Asian countries to decide alone.

Prime Minister Mahathir bin Mohamad of Malaysia said Monday that he would lead a boycott by ASEAN, the Association of South East Asian Nations, of the Asia-Europe Meeting next April if Burma was not allowed to attend.

Burma and Laos were recently made members of ASEAN, which also groups Malaysia, the Philippines, Thailand, Singapore, Vietnam, Indonesia and Brunei.

The Asia-Europe Meeting, known sometimes as ASEM, groups the seven original ASEAN members along with Japan, China and South Korea and the European Union's members.

"Burma's elevation to ASEAN was a single ticket affair," said a spokesman for the European Commission, the EU's executive agency. "Membership of ASEAN does not mean automatic membership of ASEM. It is up to the Asian members of ASEM to propose other Asian members and for the EU to approve their participation."

On Monday Mr. Mahathir, the current ASEAN president, suggested that the organization considered Burma's participation in next year's meeting to be a foregone conclusion.

"If there is discrimination against Myanmar," the national Bernama news agency quoted him as having said, "it is a discrimination against ASEAN. You may find other countries in ASEAN also deciding not to attend."

No other ASEAN member raised the prospect of a possible boycott, and the Singapore government said that the question of Burma's participation would have to be decided by consensus.

Mr. Mahathir was reacting to a statement in Singapore by the British foreign secretary, Robin Cook, that Burma would not be admitted to ASEM.

Mr. Cook accused Burma of profiting from the drug trade. He also cited EU sanctions against the ruling military junta. The sanctions deny visas to officials from Burma, which prefers to be known as Myanmar. The junta seized power in 1988 and is widely accused of human rights abuses and links with drug traffickers. *(Reuters, AFP)*

Andy Solomon/Reuters

Vietnamese braving torrential rain to visit Ho Chi Minh's mausoleum on Tuesday, the 52d National Day.

Hanoi Awaits Leadership Changes

Reuters

HANOI — Rain-soaked red flags hung limply in the streets of Hanoi and thunder rumbled as bedraggled pilgrims lined up at Ho Chi Minh's mausoleum on Tuesday, Vietnam's 52d National Day.

The weather was perhaps fitting for a nation that — with economic reform in the doldrums, a leadership reshuffle looming and unrest simmering — has little heart for celebrations right now.

Prime Minister Vo Van Kiet, in a speech to commemorate Ho Chi Minh's declaration of independence from France in 1945, promised a quickening of reform.

But analysts say that many in the ruling Communist Party have their minds on the maneuvering of coming weeks, which will bring new leaders and set the direction of policy after months of uncertainty over the pace and scope of further reform.

Mr. Kiet and President Le Duc Anh, both in their 70s, are due to step down when the newly elected National Assembly meets for the first time on Sept. 20. Before then, the Politburo and the party's Central Committee will meet behind closed doors to debate who should replace them.

Political sources say Deputy Prime Minister Phan Van Khai, like Mr. Kiet a reformist from the more freewheeling south of the country, is likely to become prime minister. But they are still giving mixed signals on who will take over from Mr. Anh, an army general and conservative.

■ Hanoi Bars UN Prize Winner

Barbara Crossette of The New York Times reported earlier from New York:

The first Vietnamese journalist awarded an international fellowship to report on the United Nations has been barred from traveling to the United States by the Vietnamese government, the editor of the publication in Hanoi that employs him said.

The journalist, Nguyen Manh Hung, 22, was one of four winners of the 1997 Dag Hammarskjold Awards, which bring promising young writers, editors and broadcasters to UN headquarters for annual General Assembly sessions.

The fellowships are awarded by the United Nations Correspondents Association. Recipients are chosen by an independent panel of journalists from around the world.

Mr. Hung is a news editor at the weekly newspaper Vietnam Investment Review, which backed his application. The paper's acting editor in chief, Nguyen Tri Dung, told reporters in Hanoi on Thursday that the Vietnamese government, after assuring him of an exit permit, had in fact barred him from accepting the award because it had not been presented through government channels.

The newspaper is published by the Ministry of Planning and Investment in English and Vietnamese editions.

Hashimoto Set to Keep Finance Chief, but Not Foreign Minister

Reuters

TOKYO — Prime Minister Ryutaro Hashimoto is set to reshuffle his 20-member cabinet as early as next week but will retain Finance Minister Hiroshi Mitsuzuka, news reports said Tuesday.

In a cabinet overhaul that is expected to take place on Sept. 11, after Mr. Hashimoto is re-elected as president of the governing Liberal Democratic Party, Keizo Obuchi, the leader of a party faction, is favored to replace Yukihiko Ikeda as foreign minister, Kyodo news agency quoted party sources as saying.

The re-election of Mr. Hashimoto, who became prime minister in January 1996 and started a second term last November, is virtually certain. He is running unopposed for the top party post.

Mr. Hashimoto, 60, is likely to choose Kenzo Muraoka, a senior party figure, to succeed Seiroku Kajiyama as chief cabinet secretary, a key coordinating post that also carries the responsibility of government spokesman, the reports said.

Church Riled Over Ramos's Talk of 2d Bid

Compiled by Our Staff From Dispatches

JOLO, Philippines — President Fidel Ramos appeared for the first time Tuesday to leave open the possibility that he might run for a second term, which the Roman Catholic Church assailed as an "unabashed greed for power."

The constitution bans a president from running for re-election, and in the past Mr. Ramos has said he would step down at the end of his six-year term, next June.

Asked under what circumstances he might change his position and stay in power, Mr. Ramos told reporters Tuesday that the issue was pending before both the Supreme Court and the Congress. "So why don't we just wait?" he asked in this southern town.

Previously, Mr. Ramos has responded to questions about his political plans by saying he would leave office in June.

The constitutional question has added to the country's difficulties at a time when local stock and currency markets have sunk to new lows, hit by financial turmoil sweeping the region.

The Philippine Catholic Church has set itself on a collision course with the administration by condemning any moves to prolong Mr. Ramos's stay in power.

In a statement, the Catholic Bishops Conference said that the issue behind moves to amend the constitution marked an "unabashed greed for power by self-serving politicians." It said concern about the issue "has resulted in serious setbacks for the country."

"On the economic front, the peso is plummeting, the stock market is dropping," it added.

A citizens' group has a petition pending before the high court that seeks a referendum on changing the constitution to allow Mr. Ramos to run for re-election.

Also, both houses of Congress are debating a resolution to convene a joint session to propose amendments to the constitution.

This week, Cardinal Jaime Sin, who rallied thousands of people in 1986 in a popular revolt against the late dictator, Ferdinand Marcos, rejected appeals by Mr. Ramos to call off a demonstration against the amendments planned for Sept. 21, which the Manila archbishop plans to lead. On Tuesday, Cardinal Sin urged priests to join the protest.

Former President Corazon Aquino also plans to take part. "This is the time for us to fight once more for our democracy," she said. *(Reuters, AFP)*

BRIEFLY

Hun Sen Rules Out Talks With Rival

PHNOM PENH — Hun Sen, the Cambodian leader, on Tuesday appeared to rule out talks with the co-prime minister he overthrew in July, saying Prince Norodom Ranariddh had to face trial for his alleged crimes.

Mr. Hun Sen, responding to a call from King Norodom Sihanouk for peace talks with his ousted rival, Prince Ranariddh, also said factional fighting in the northwest of the country would cease when royalist forces gave up and returned to the government side.

King Sihanouk returned to the northwestern town of Siem Reap on Friday from Beijing where he had been receiving medical treatment for several ailments since February. It was the king's first trip home since Mr. Hun Sen toppled Prince Ranariddh. *(Reuters)*

Ex-Korea Leaders Won't Be Pardoned

SEOUL — President Kim Young Sam ruled out on Tuesday an immediate amnesty for his two jailed predecessors, and analysts said confusion over the issue reflected a crisis in the ruling camp.

Mr. Kim was responding to a suggestion by Lee Hoi Chang, the ruling New Korea Party candidate for presidential elections in December, that he grant clemency to Chun Doo Hwan and Roh Tae Woo within two weeks. Both have been imprisoned for mutiny, treason and corruption. *(Reuters)*

VOICES From Asia

Saburo Ienaga, a Japanese historian who won a partial victory in his campaign against government censorship of school textbooks last week, saying Tuesday that he was worried about a backlash by far-right extremists: "I don't think the current situation is going in a positive direction. The dynamism of history calls for reactionary movement whenever the opposite force proves successful. All I can hope now is that the younger generation fights such reactionary moves." *(Reuters)*

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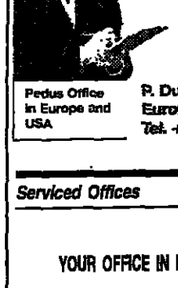

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Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Stone Wall in Congo

For months, the new Congolese government of Laurent Kabila has been trying to thwart a United Nations investigation of ethnic killings and other human rights abuses during that country's recent civil war. The Security Council must now make clear that it has run out of patience with his obstructions. If that fails to inspire better cooperation, Washington should suspend its plans to provide generous aid to reconstruct the Congolese economy.

A credible investigation is crucial because ethnic violence drove the fighting in Congo, formerly known as Zaire. Tutsi troops from Rwanda and eastern Congo joined to defeat marauding Hutu militia units in the border area. In the process, they allegedly massacred innocent Hutu refugees. The insurgency continued until the largely Tutsi rebels entered Kinshasa.

Many Congolese now distrust the Kabila forces as an instrument of Rwandan foreign policy and inadequately representative of the country's ethnic diversity. Democratic government may not be possible until Mr. Kabila resolves these suspicions by permitting an impartial investigation as well as the punishment of any soldiers guilty of killing innocent civilians. That investigation must begin now, before crucial evidence disappears.

The UN team has already been delayed for nearly two months because Secretary-General Kofi Annan tried to accommodate earlier demands by Mr. Kabila. The United Nations agreed to replace the first head of the investigation and to expand its mandate to alleged atrocities by Hutu militias.

That seemed reasonable. Hutu violence was an important part of Congo's human rights problem. But with its latest demands, the Kabila government seems to show that its real goal is endless delay. Congolese officials have rejected Mr. Annan's new choice of chief investigator, refused visas for six UN security people accompanying the team, and demanded that the whole effort be held up until the Organization of African Unity forms a parallel team to accompany the UN investigators.

The Security Council has called on Mr. Kabila to reconsider these unacceptable demands. It should take further action in the coming days if he refuses to cooperate.

As it happens, the U.S. representative to the United Nations, Bill Richardson, took over the rotating presidency of the council on Monday. Mr. Richardson, who also serves as Bill Clinton's personal emissary to Mr. Kabila, has previously urged the United Nations to give the new Congolese leader time to prove his good faith. That gives him a special obligation to demand strong steps if Mr. Kabila continues to obstruct the investigation.

Washington has greater leverage outside the United Nations. Last spring, Mr. Richardson proposed a large American aid package for Congo provided Mr. Kabila respected democracy and human rights. The Clinton administration must make it clear that this aid, which has already begun to flow, will be suspended until Mr. Kabila cooperates with the United Nations.

After decades of uncritical support for Mobutu Sese Seko, the corrupt dictator Mr. Kabila overthrew, America has some obligation to help rebuild Congo's shattered economy and society. But Washington should not repeat its original mistake by giving a blank check to a new strongman who refuses to be accountable to his own people and to the international community.

—THE NEW YORK TIMES

Tobacco Deceits

The tobacco companies are trying to create a new image of themselves as repentant and in retreat when in fact they remain on the attack. Only the packaging has changed.

When they settled the lawsuit that Florida had filed against them the other day, the companies said the deal was "a concrete demonstration that the industry is prepared to cooperate with government and the public health authorities to emphasize that it doesn't want kids to smoke." They called the settlement "another step in a process to end the climate of confrontation and litigation that has marked the national debate on tobacco-related issues."

So they are pussycats, except that:

• As part of the national deal they now want President Bill Clinton to bless, they have agreed to pay $368.5 billion over 25 years. Pretty imposing. But the companies also got the Republican leadership of Congress — no less than House Speaker Newt Gingrich and Senate Majority Leader Trent Lott — to tuck into the budget they sent the president in July a couple of sentences forgiving them $50 billion of this before they were even required to pay it. The $50 billion was to compensate them for the tobacco tax increase that Congress had just voted in part to help finance a new program of children's health insurance. No one professes to know exactly how the forgiveness made its way into the legislation — who suggested it, for example. But part of the explanation, we are willing to guess, lies in the enormous campaign contributions that the tobacco companies have made to the Republicans in recent years. (They also have given a lot, but less, to the Democrats.) That is what these folks mean when they say they are buying "access." The $368 billion figure won't endure; they will find ways to knock it down. The durable part of the deal, if they have their way, will be the limits on future lawsuits that the $368 billion is meant to buy. Surely no one would be so crass as to suggest that Congress go back on its word on that.

• A second aspect of the deal has to do with the power of the Food and Drug Administration to regulate nicotine. The companies professed to agree that it has such power, which was nice of them, since a court had already ruled so. Then they proposed that the power should be exercised only if the FDA could jump through a series of impossible and irrelevant hoops whose effect would be, as intended, to negate the power. Meanwhile, the companies continue to appeal the court ruling which confirmed that the authority exists.

• They agreed as well to back off ads calculated to appeal to kids, and a great show was made of the withdrawal of the Joe Camel series. But it was withdrawn only to be replaced by another aimed at pretty much the same market. The current behavior of the companies demonstrates the same thing that their past behavior so amply shows: They will game any system that is put in place to keep them from selling cigarettes. It is a mirage to think that they are preparing to go out of business. They simply want to buy at as low a price as possible a steady platform from which to continue.

Here is a rule, which the president and Congress alike should keep in mind as they try in the weeks ahead to figure out what to do about the proposed master agreement: Almost by definition, any deal that the tobacco companies find congenial is against the public interest.

It is a real temptation to sign off on a big peace pact such as has been proposed — a world-class photo op, and there are in fact some substantive features of the proposal that would be gains. Our own instinct is that the politicians should go carefully and slowly.

Among other things, they need to see what a few more of the pending state suits, the one in Minnesota particularly, turn up by way of evidence that the companies knowingly put the many millions of people they hooked on their product at risk. Which politicians want to vote for a limit on future lawsuits and other liability in advance of that?

— THE WASHINGTON POST

Other Comment

Because She, Too, Was Frail

It is surely right to dwell just now on the supreme quality of one who sought above all to help the vulnerable people in society. [Diana] was good at this because she herself was vulnerable. She knew the feeling.

She did not set out to be a saint. This was a human being, with all the faults of most us, but also with a bigger heart than most of us. As I discovered [in Bosnia last month] on that last mission for humanity, there was an underlying humility which, at least to me, redeems it all. She was not a grand person setting out to bestow favors on the poor. She knew herself too well for that. Re-cognizing her own frailty, she was the better able to understand and to sympathize with the frailty of others.

— W.F. Deedes, commenting in The Daily Telegraph (London).

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Here Is a Crucial Juncture in Northern Ireland

By Mo Mowlam

The writer is Britain's secretary of state for Northern Ireland.

LONDON — Last week I announced that after six weeks I believe the restoration of the Irish Republican Army cease-fire is unequivocal. I also am inviting Sinn Fein to take part in the Northern Ireland talks process, which will start again next Tuesday.

We are at a crucial juncture in the peace process in Northern Ireland. The second IRA cease-fire is a welcome step. Since it was announced, we have had the quietest period anyone can remember since the troubles began in the 1960s. But to achieve a permanent peace, the cease-fire must continue. All the parties must work together to build a new future for Northern Ireland.

Everyone wants this cease-fire to continue as it has started — a total cessation of terrorist activity.

I know that not everyone in the Republican or Loyalist movement is happy with the cease-fires; there are already splinter groups. But during the first cease-fire, the IRA leadership showed great control over its members. I expect the IRA to make its followers toe the leadership's line.

Just the same applies to the Loyalists. Now that Sinn Fein is in the talks, it — like everyone else — must sign on to former Senator George Mitchell's principle of democracy and nonviolence. If it dishonors these, it's out.

Sinn Fein has an important part to play. But its supporters in America must remember that Sinn Fein is just one of many parties present at the talks.

Because it is the best financed and has the biggest public relations machine, it makes by far the biggest impact in America. Yet within Northern Ireland it has less popular support than John Hume's Social and Democratic Labor Party, and less than half the support enjoyed by the Ulster Unionists.

The guiding principle in the talks must be the principle of consent. The talks will succeed only if Unionists and Nationalists come to an agreement. Then the outcome will be put to referenda, north and south.

The key question now for Sinn Fein is whether it is prepared to accept an outcome arrived at through negotiations and consent, even if the agreement falls short of its ideals.

For all the players now, the watchword must be compromise.

We want quick progress. Prime Minister Tony Blair has set May as the date for agreeing to a settlement. To get there, we need confidence-building measures from all sides.

The United Kingdom is responding to the new situation. Our government is working on reforming the police, setting up an independent parades commission and incorporating the European Convention on Human Rights into United Kingdom law.

But confidence-building is a two-way street. The two communities both can take steps to increase confidence.

It is in this context that decommissioning is so important.

No one is asking the IRA or the Loyalists to give up all weapons in advance of an agreement. But, as Mr. Mitchell proposed, we are looking for some decommissioning during the negotiations in the name of genuine political progress toward the settlement we all seek.

A start to the removal of paramilitary weapons from Northern Ireland would be the most effective confidence-building measure of all. We are fortunate to have Mr. Mitchell as chairman of the plenary session of the talks.

A settlement will be possible only if the parties can identify common ground. So far, it has proved difficult for either community to move for fear of conceding ground. Here the United States can play a central role.

In its dealing with Northern Ireland, the Clinton administration has given equal weight to both traditions. The 1995 Washington Investment Conference set up by President Bill Clinton and his visit to Northern Ireland at the end of 1995 demonstrated his tremendous personal support for the efforts of both the U.K. government and the Irish government to achieve a lasting settlement in Northern Ireland.

The U.S. government's support provided to the International Fund for Ireland since its inception in 1986 totals some $455 million. American involvement has reassured both communities that they have more to gain than to lose by taking risks for peace.

U.S. interest in Northern Ireland does not begin and end with political support. Many American companies have taken advantage of Northern Ireland's highly trained work force. Recently, DuPont, which has operated in Northern Ireland for more than 37 years, created 110 jobs and invested $122 million to expand its Lycra factory in Londonderry.

With a second cease-fire in place, Sinn Fein representatives will be visiting America more often than during the past 18 months when there was no cease-fire. I hope that their supporters in America recognize that the cease-fire is a beginning, not an end.

It is an important step. We are responding positively. But really hard work, for both communities, still is to come. Neither side will achieve all it wants. The only way forward is through agreement. That requires both sides to understand each other's views and fears, to see how they can accommodate them and to forge an agreement that both the Unionists and the Nationalists can support.

At this negotiation, no group will be allowed to block progress, and no group is going to exert its maximum influence over the final package by merely repeating a time-honored inflexible position. Local politicians also have a responsibility to work together to find some accommodation.

For all the players now, the watchword must be compromise in order to achieve the widest possible consent. I hope that all with Northern Ireland's best interests at heart will hammer home that message to all their Irish visitors.

The Washington Post.

Finally Starting to Own Up to the Crimes of Imperial Japan

By Roger Buckley and William Horsley

TOKYO — The recent decision of Japan's Supreme Court to throw out decades of bureaucratic censorship on wartime imperialism is welcome. Tokyo's friends in the region, and the West, must hope that further official recognition of past barbarism will follow.

The extraordinary reluctance of the Japanese establishment to confront the horrors of Japan's aggression in China and other parts of Asia before and during World War II may at long last be shifting.

There is, however, a considerable distance to go before the slate can be wiped clean. School history textbooks will continue for the time being to be censored by the powerful Ministry of Education.

Outsiders find it hard to understand how for two generations Japan dodged these issues that lie at the heart of its modern history, while postwar Germany went through a relatively frank self-examination of the years of Nazi tyranny. The view that Japanese officialdom desperately hopes that mortality and amnesia will dissolve recollections of atrocities in Asia is hard to dispute.

The controversies and bitterness of the Pacific War have not gone away, and demands for official apologies and generous compensation continue to plague Japanese domestic and foreign policy. Tokyo remains in the dock over both its official history and its responsibility for past misdeeds.

Undoubtedly, it would have been better to have shown genuine repentance immediately after Japan's surrender in the autumn of 1945. The extraordinarily slow progress is largely a reflection of two factors.

First, the legalities established at the 1951 San Francisco peace settlements let Tokyo off the hook by agreeing on limited compensation terms with the region and Western allies. The Cold War environment helped smooth Japan's speedy reintegration with the West.

Secondly, the highly charged domestic divisions in Japan about World War II remain too entrenched for its society to face up to unpleasant truths.

Japan's conservative prime minister, Ryutaro Hashimoto, has political links to veterans' associations and is unlikely to support any fresh debate on the Pacific War. Yet the controversial issue of Japan's imperial responsibility could resurface. Already, it has led to intimidation by ultranationalist thugs of scholars and journalists who dare to question the role of the late Emperor Hirohito in the conduct of the Pacific War.

For the moment, the hopes of other Asian governments and the West for an open debate in Japan are likely to be disappointed. Yet Japanese authorities know full well that international coverage of Professor Saburo Ienaga's symbolic victory in the textbook case can only lead to further questioning of Japan's cover-up of vital facts of history.

Reminders of Japan's wartime behavior are ever present in the region. The contrast between the relative ignorance of the war among Japanese students and the continuing resentment of all generations in the rest of Asia still poisons Japan's relations with its regional partners.

Outstanding issues include compensation for forced prostitutes (the so-called "comfort women" and other mainly Asian victims of Japanese slave labor), as well as responsibility for the infamous Unit 731, which conducted horrific medical experiments on live prisoners in China.

Comparisons with German experience are instructive. Successive postwar German governments grasped the chance to rebuild the nation on the basis that Hitler's era had indeed been thoroughly evil. Germany was therefore reconciled with its former enemies, and German youth now has ample chance to learn about the nation's past sins, in the classroom and through explicit media coverage of the Nazi era.

Still, recent revelations about the disappearance of gold plundered by the Nazis have caused deep embarrassment to a number of governments, including that of Switzerland.

Germany has acted less than generously in settling the claims of Czech survivors of the Holocaust.

Volkswagen and Deutsche Bank have been obliged to publish the facts about systematic use of slave labor under the Third Reich, in the bank's case by an industrial empire it purchased in the mid-1980s.

Jewish leaders are still waiting for an answer to their demand from Bonn to end a glaring injustice: that former Nazi SS members get state pensions, while the claims of many East European Jews who suffered in the death camps have not been recognized. In Europe, too, it is easier to forget than atone.

Professor Ienaga's persistent stand in his Supreme Court battle over the Imperial Army's bacteriological warfare Unit 731 — the "secret of secrets" of the Pacific War — ensures that Japanese war crimes in Asia can no longer simply be aerosoled out of the school curriculum. His determination will give fresh impetus to a democratic campaign that should have been won decades ago.

Mr. Buckley is a professor of history at the International Christian University in Tokyo. Mr. Horsley is the BBC's European affairs analyst. They contributed this comment to the International Herald Tribune.

Keep Helping Cambodians to Recover

By Jeffrey S. Brand

SAN FRANCISCO — After the coup d'état by Hun Sen, the U.S. Congress voted to limit severely aid to Cambodia. This month a conference committee will decide the fate of aid.

The U.S. Agency for International Development "suspended" much of its $35 million aid package, including most aid that supports rule-of-law education.

Aid that supports a totalitarian government and aid that nurtures the rule of law are critically different. Ignoring that difference in Cambodia will strengthen Hun Sen's hand and exacerbate Cambodia's problems. The conference committee still has time to avoid that.

"Rule of law" is not a platitude in a country in which 2 million people were murdered by Pol Pot and his henchmen. Almost all educated citizens were killed or forced to leave the country, and all institutions that support common decency and respect among citizens were destroyed.

The international effort since the time of the UN-brokered peace in 1991 has helped Cambodia rebuild institutions capable of guiding the country by fair and consistently applied rules rather than by the arbitrary whim of the powerful and corrupt. A primary focus of this effort includes a broad-based program in rule-of-law education to ensure that sufficient human resources exist to support democratic institutions.

For the first time in decades, judges are being trained, the bar is becoming an independent force, legal aid is becoming a reality, and defenders appear in some criminal courts. A cadre of Cambodians now exists that is capable of supporting democratic economic development.

No one is arguing that democracy exists in Cambodia. Hun Sen's victory surely has set back the democratic process. But without rule-of-law educational aid, any move toward a more democratic government will be impossible because of the absence of a supporting infrastructure. Rule-of-law education is essential regardless of the nature of the current government.

If a transition to democracy is ever to succeed, it will occur only when an educated populace is capable of supporting it.

The writer is director of the Cambodia Law and Democracy Program at the University of San Francisco School of Law. He contributed this comment to The Washington Post.

Spare Rome the 2004 Olympics

By Jas Gawronski

ROME — On Friday, members of the International Olympic Committee meet in Lausanne to deposit secret ballots, like cardinals in a conclave, and choose which of the five remaining candidate cities will host the 2004 Summer Olympics. The choice is between Stockholm, Athens, Buenos Aires, Cape Town and Rome.

Unfortunately, Rome appears to be the favorite.

The eternal city will suffer enough in the year 2000 when an expected 30 million pilgrims flock there to celebrate a Roman Catholic Jubilee. Changing the venue for that is impossible.

What is more, given past performances of Rome's administrators and developers, we must hope for a different Olympic choice.

Organization of the Games and construction of the necessary sports facilities would be likely to fall into the hands of many of the people involved in planning the 1990 World Cup soccer tournament, which became a major scandal, revealing a shameful waste of public resources.

The more than $200 million earmarked for the building and renovation of 12 stadiums in 12 cities hardly sufficed to build two. One of these, in Turin, may soon be demolished because of its poor construction and extremely high running costs.

A symbol of what the Rome Olympics risk becoming is the Ostiense train terminal. Built for the 1990 World Cup at a cost of $2 million, the terminal resembles a deserted cathedral and is today scarcely used.

Inefficiency marred the world university games in Palermo last month. On the day of the opening ceremony, only 14 of the planned 23 sports facilities were ready. And in one of these, competition later had to be suspended because it began to rain through the roof.

Despite these precedents, and despite the experience of cities that have hosted Olympic Games in the past and come away with losses, the mayor of Rome, Francesco Rutelli — once a supporter of the environmentally conscious Green party, and today vehemently pro Roma 2004 — insists that "the state will earn about twice what it intends to contribute."

The Italian government has assured the IOC that it will invest approximately $2 billion if Rome wins the bid. But that certainly won't be enough, as Prime Minister Romano Prodi implied in his letter to IOC President Juan Antonio Samaranch when he said that his government "is committed to come up with any additional funding required."

That sort of generosity appears out of step with the times, as Italians are currently being forced to make painful sacrifices to ensure their country's entry into European monetary union by 1999.

Almost all political parties and a majority of Italians support Rome's candidacy.

To illustrate the advantages of holding the Games in Rome, the city's bid committee presented the IOC with a report in three glossy volumes replete with suspect information.

The report speaks of 91 hospitals, of which it would be interesting to know the names and addresses; of an Olympic Village for 18,000 people that would be converted into a campus for Rome's three universities, which have declared that they don't need it; of sleeping room for 600,000 visitors, when respectable estimates count a maximum of 180,000; and of the possibility of traveling from Fiumicino airport to central Rome in 23 minutes, when everyone knows that perhaps Michael Schumacher would be able to accomplish such a feat, but only at night and with no traffic.

Pietro Calabrese, who has close links with Mayor Rutelli, resigned after only a few months as head of the Rome bid committee. Developer Francesco Gaetano Caltagirone offered Mr. Calabrese the editorship at his newspaper, Il Messaggero, the daily with the largest circulation in Rome. Mr. Calabrese has since transformed the paper into a pro-Olympics journal.

Rome's second largest newspaper, Il Tempo, is owned by another Roman developer, Domenico Bonifaci, who is in prison awaiting trial for the bribing of judges.

Obviously, it is hard to get anything that looks like criticism of Rome's Olympic bid into the Roman press.

Hence the suspicion arises of the existence of a close relationship between the construction lobby, which wants to take advantage of Olympic business at the expense of the state, and politicians who want the benefits of the publicity.

The writer, a journalist and member of Italy's Senate, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Canal Rumors

WASHINGTON — Semi-official advices received here from Nicaragua report that the Japanese are secretly negotiating with the authorities of Central America for the construction of the Nicaragua Canal, independently and in defiance of the United States and other nations. It is suspected that England is working in collusion with Japan but nothing on the surface indicates that such is the case.

1922: Peachy Protest

TRENTON — Because they were not getting enough Jersey peaches with their meals, 600 inmates of the State Prison, after their exercise hour yesterday [Sept. 2], refused to return to their cells. A mutiny threatening, fifty prison guards, thirty State police and thirty city police trained their revolvers on the prisoners and ordered them back. The men finally yielded, but, once in their cells, 600 voices were raised in a barber-shop rhapsody which compelled families in neighboring houses to shut their windows tight and cover their ears until it ceased.

1947: Calcutta Riots

CALCUTTA — Troops and police, heavily reinforced, moved swiftly into vantage spots in Calcutta with orders to "shoot to kill" to stem newly-arisen communal disturbances in which twenty-nine people had been killed and 292 injured up to last night [Sept. 2]. The city police commissioner imposed today a four-day curfew in nine police station areas of 12 hours daily, from 6 p.m. to 6 a.m. Police opened fire sixteen times yesterday and used tear gas on three occasions to break up hostile crowds, they reported. Calcutta, with its 4,000,000 population, appeared almost a dead city.

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A great deal happe

OPINION/LETTERS

More Grist for the Voracious Celebrity Mill

By E. J. Dionne Jr.

WASHINGTON — The sick feeling aroused by the gruesome death of Diana, Princess of Wales, was a human reaction to a horrid event — unfair, bizarre, terrible for her young sons — and the guilty response of the media-consuming world choking on its obsession with celebrity.

The papers and the television screens reported the sentiments of people who spoke of how they felt they knew her. Of course we felt that way. We were exposed to more sweet and sour material about this young woman than about any other human being alive.

But we really didn't know her. We knew only an idea of her pieced together from laudatory press releases, less flattering information leaked by her adversaries in the royal struggles and, of course, the photographs. It seemed that a bad picture did not exist of this beautiful woman.

Our obsession with seeing her face came at a cost, to her privacy and our dignity. But no one expected the cost to rise as high as it did on that Paris highway. So now we blame the paparazzi who stalked her and who stand accused of chasing her car into a wall.

It's foolish to say "we all did it" because of our obsession with her picture. It's idiotic that photographers would engage in a high-speed chase of any sort for pictures of the princess and her beau, even if Diana's reportedly drunken chauffeur were to be held primarily responsible for the crash. Plenty of such pictures existed. The relationship was no secret. This was not journalism.

There was no reason for this final act.

But, yes, we — or rather the consumers of royalist photographs — certainly created the market that provided the incentive for those photographers to snap at any cost. Some of the snoop-picture takers cleared a million dollars a year or more.

The brother of the Princess of Wales complained bitterly: "I always believed that the press would kill her in the end." No one can blame him for his grief. But the celebrity business rarely goes one way. As Sarah Lyall wrote in The New York Times, "Diana often seemed to use the press as much as the press used her" *(IHT, Sept. 1)*.

One could say she had to, given the expectations created for her and the fact that her critics were always ready to use the press against her. Part of the sadness people feel is that she may never have had much of a choice, marrying into fame so young and spending her entire adult life as a figure of fantasies.

This event will create a new counter-industry, perhaps a healthy one, built on the bashing of our celebrity culture. It surely deserves bashing, since it celebrates people not for what they do or how they think or even who they really are. All is "personality," narrowly defined and mostly invented.

Nothing so reveals the celebrity culture's emptiness as the attention it lavishes on powerless royal families whose reasons for existing are purely symbolic. When members of royal families get the symbols wrong, behaving in ways that break from the true and the noble, the celebrity machine is revved up all the more. Maybe it's human nature: We've always loved snickering at the foibles of the people who live in the big house up the hill. In an age of democracies and republics, we should be able to ignore royals. That seems impossible.

Princess Diana did many good things with her celebrity — on behalf of the victims of AIDS and breast cancer and land mines — and they will be remembered. Her sons will be prayed for. In Britain, many people still hold the royal family in great affection. Diana especially, and their grief over her death is genuine. We should all mourn this senselessness even as we acknowledge that the public spectacle of the coming week will be yet more grist for a celebrity culture that can adjust its moods but never its purposes.

Washington Post Writers Group.

There's No Excuse for the Jackals of Journalism

By A. M. Rosenthal

NEW YORK — The brother of the Princess of Wales said it devastatingly and correctly, in a sentence of icy passion from which there is no hiding place:

"It would appear that every proprietor and editor of every publication that has paid for intrusive and exploitative photographs of her, encouraging greedy and ruthless individuals to risk everything in pursuit of Diana's image, has blood on his hands today."

No hiding place — none for the executives who permit and encourage press harassment unto death, for no other reason than to increase their own profits and salaries, and none for journalists who say they would never use such pictures but create excuses of moral, ethical and professional garbage to explain those who do.

Someday, I believe, the words of Earl Spencer will hang in the private offices of publishers, network chiefs and print and electronic editors worthy of any respect or trust. One way to speed that day is to expose the excuses as swiftly as possible and get on with root reality.

About the crash itself, the essential details involving the press are two. The princess and Emad Mohamed (Dodi) al Fayed jumped into a limousine to try to escape a gang of photographers pursuing them on motorcycles. The chase killed them.

Was the chauffeur driving too fast? Did he have too much to drink? Did his passengers tell him to slow down, or to go faster to escape the gang behind? Those are questions perhaps pertinent in deciding the sentence the photographers should pay. But this fact remains and will forever:

Had that gang not chased the couple, the princess and her friend would be alive today, knowing they would be chased again and again, but that perhaps with luck they would not die some other night on some other road fleeing some other gang of photographers.

Now, for the reality that brought the photographers to the Ritz and the princess and Mr. al Fayed to their deaths. Money.

The paparazzi, as they like to be called, pursued the couple as a jackal his prey. They knew that a "good picture" like a kiss or hug seen through a car window would bring scores of thousands of dollars and that any picture would bring a price handsome enough for their gas and waiting time until the next gathering of the jackals, the next day.

The pictures would be bought by certain newspapers, magazines and TV networks to attract readers and advertisers: spending money to make money. Sometimes the awaiting picture and writing jackals are staff people. But often the money is laundered — not enough to cover the stink — through "independent" photo agencies.

That permits the executives to say that the photographers do not work for them, that often they do not even know their names and that certainly they would not give them credentials! It permits journalists who do not do this kind of filthy work to say that the photographers and free-lance writing dirt-diggers who sometimes hang around them are not really journalists at all, and it is not right to lump us all together.

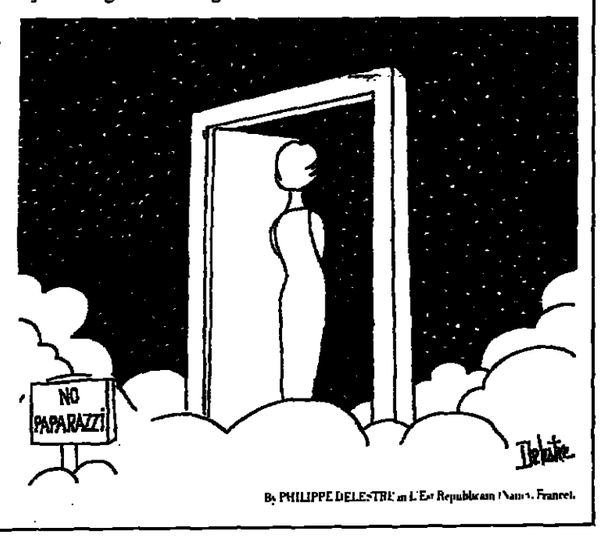
No. But neither is it right for real journalists not to acknowledge that enough more "mainstream" newspapers and glossy-paper magazines print that kind of picture, and are publishing more unverified and sadistic gossip of their own creation.

That enough TV news shows harassed Jackie Onassis almost to her deathbed, and then played the jackal around her children. That enough hordes of reporters and photographers routinely camp on the lawns of ordinary people somehow caught in the news.

That enough newspaper people play the fool for money by snarling and barking at each other on TV yap shows. That there is enough of all this going on that very soon the public may not be able to tell the difference between real journalists and all those others, and, heaven help us, neither may we.

In America we do not need new laws or industry-wide self-regulation. We do not have to give up our constitutional rights to have a free press. All we need is a couple of hundred Americans, each acting as individual editors and publishers, who have enough self-respect to give figures in the news the space, safety and civility they would demand for themselves, their spouses and their children on the day they find the tape recorders, reporters' pads and cameras outside, waiting for them.

The New York Times



By PHILIPPE DELESTRE in L'Est Republicain (Nancy, France).

A Piece of Advice for Diana's Sons: Flee the Stultifying Royal Zoo

By Richard Cohen

WASHINGTON — In his biography of General Douglas MacArthur, William Manchester tells us that when the old soldier died in 1964, his son, Arthur, slipped away from the funeral and was not seen publicly again. Granted that sort of thing is harder to do today, but I heartily recommend it for the two sons of Diana, Princess of Wales. Flee, boys, flee if you can.

Of course, they probably cannot and, most definitely, they have been raised not to. But when I saw them in the endless television coverage of Diana's death, it was old footage and they were walking somewhere in the countryside, William, 15, and Harry, 12, and I thought, Oh no, here we go again. We shall take these two kids and give them lots of money and nothing to do and they will become, in due time, what their mother was before them: not just a celebrity, but some sort of creature that has been captured and imprisoned in a media zoo where, for our entertainment, such creatures can be watched.

This, of course, was Diana. She married into the British royal family, eons and eons of mediocrity, and now familiarity. That had brought contempt or, if not that, then a realization that they, the royals, are like you and me. They, too, are not so smart and cannot always marry well and say some pretty stupid things. They reign, in some abstract way, but do not rule and there is nothing they can do — nothing! — that can in the least way affect anyone's life. They have fame and they have fortune, but they have earned none of it.

The fatigue of privilege shows on their faces.

And this woman, this one-time child bride with the doe eyes and the lithesome body, was at a remove from the throne. Her former mother-in-law was the queen and

MEANWHILE

her husband was the prince and she ... well, she was Diana, snipper of ribbons and hugger of children and, in the secret places of her own home, vomiter and depressive.

Even that, after a while, we came to know.

She was always on display, this royal panda — a zoo creature. And just as a zoo lion cannot kill, a princess cannot work, cannot be anything but a princess — and one with bourgeois values at that.

Once, the royals did pretty much what they wanted, but today's must live like politicians. Edward VII flaunted his mistress, but no contemporary monarch can do that. Might as well order a beheading.

As for Diana, she could glean her self-worth only from the press. Pleasing the public, after all, had been her job. She did nothing that could be measured — wrote nothing, created nothing, sold nothing. She was a good mother, which is not nothing — far from it — and she had a good heart, big enough for causes like breast cancer, and that, too, is not nothing.

Still, though, her main job was celebrity and that, by any measure, she did exceedingly well.

The press did not kill Diana. The photographers chasing her car are the bottom feeders of journalism, but they are not assassins.

They wanted to take her picture, not her life. They did not order her driver to speed or, as it now seems, to drink too much beforehand. Anyway, Diana had hardly been consistent in her desire for privacy. When she wanted to, she could use the press and use it well.

Soon, somehow, the press will discover and the public will embrace yet another personality who can live a life that we all can share. She — it has to be a woman — also may be pretty and sweet, possessed of a ballerina's grace and a lack of haughtiness, someone who also can triumph and fail, and by so doing show us over and over again that a famous life is still a life, even a sad one.

Harry and William can never be Diana in that sense. They will be men and, probably, more like their father, a bespoke fuddy-duddy.

Still, though, theirs will be hollow lives. At the core of the contemporary monarchy is an emptiness surrounded by a fog of sadness. It cannot ever succeed since it does nothing. It can only fail — while we, of course, watch.

William will wait for the throne and Harry will wait for Will, and we will watch them all, the royal menagerie in the worldwide media zoo. I hope one night someone leaves the gate ajar.

Run for it, boys, run for your very lives.

The Washington Post.

LETTERS TO THE EDITOR

Mourning Diana

To the members of the world's tabloid press, I have this to say: "You have, among you, killed a sweet lady, and her death shall fall heavy on you!" (William Shakespeare, "Much Ado About Nothing," Act V, Scene I).

I hope that, in death, Diana may continue to do good by giving energy and purpose to the struggle against media harassment. Enough is enough!

JENNIFER McDERMOTT.
Geneva.

It's time to break the "if it bleeds, it leads" paradigm. Other people's suffering should never be viewed as either entertainment or as a chance to boost ratings or circulation.

HEATHER PARK-ALBERTSON.
Elmhurst, Illinois.

The French authorities should publish the photographs, names and addresses of the photographers involved in the events leading up to the crash that killed Diana, Emad Mohamed (Dodi) al Fayed and their driver.

Maybe a touch of their own medicine would be just punishment for their acts, which contributed to this dreadful accident. Their personal information should be published in every tabloid.

JAN HODGSON.
Doha, Qatar.

In looking for causes to explain the appalling deaths of the Princess of Wales and her companion, we should remember that their car was being pursued by photographers, not gunmen. There was therefore no life-or-death reason for the driver (who was also killed) to be traveling, as we are told he was, at the life-or-death speed of 150 kilometers per hour through quiet city streets.

We are also told that the driver was a security officer from the Ritz Hotel, but surely any properly trained and experienced security officer or driver would have known how to evade a group of photographers on scooters while negotiating a gentle bend in a two-lane stretch of urban causeway.

This is not to excuse the provocative intrusion of photographers, but we should hope that the role and qualifications of the driver are carefully examined in the aftermath of this monstrous tragedy.

RHODERIC BANNATYNE.
Paris.

Would it be too much of a vain wish to hope that the editors of the various tabloids and magazines that commissioned and paid for the hounding of Diana now make amends by selecting a few photographs of dead and injured men, women and children who have stepped on some of the 2 million-odd land mines that violent people have seeded in parts of Europe, Asia and Africa?

These editors could also ask paparazzi to snap pictures of the arms dealers and millionaires that profit from the continued sale and production of land mines. Many of these people can right now be found at the very resorts and beaches and on the yachts where the paparazzi loved to photograph the Princess of Wales.

SAMIR SANAD BASTA.
Mougins, France.

Humanity has lost one of its crown jewels. Pray it learns from its mistake.

TOM BIONDO.
Paris.

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THE WORLD'S DAILY NEWSPAPER

Death of a Princess/ *A Country Church Fears for Its Future*

In the Name of Duty, 2 Boys Mask Their Grief and Act Like Princes

By Dean E. Murphy
Los Angeles Times Service

LONDON — They were described as brave and courageous, boys who showed a stiff upper lip just four hours after being told about their mother's death.

Prince William and Prince Harry, in black ties and somber faces, attended regular Sunday church services in Scotland, arriving with their father in a dark limousine with oversized windows. Their blank gazes appeared Monday morning at every London newsstand — precisely according to royal plan.

"The shell-shocked boys were doing what the Queen and Prince Charles would have explained to them was their duty," wrote Ingrid Seward, editor of Majesty magazine. "This routine of duty is traditionally what has always helped the royal family overcome its grief, in public at least."

It is also what would have infuriated their mother.

"It was absolutely appalling to take those kids to church, business as usual," said Meg Henderson, a Scottish novelist and foster mother. "The vicar was amazed at how dry-eyed and controlled they were. It is a terrible situation for children at that age to be dry-eyed and controlled."

William, 15, and Harry, 12, had planned to fly to London on Monday to greet their mother on her return from a French vacation. Instead they were being consoled by Queen Elizabeth II and her husband, Prince Philip, at Balmoral, the royal Scottish palace.

'The vicar was amazed at how dry-eyed and controlled they were. It is a terrible situation for children at that age to be dry-eyed and controlled.'

The fretting over the two boys is straightforward: With their mother gone, are they destined to grow up like their father, a stiff and emotionally rigid man who considered his own childhood cold and lonely? Are Charles and the rest of the royal family up to the task of grooming a popular 21st century monarch?

"There is going to have to be a very drastic reassessment of what goes on behind the palace walls because Prince Charles, as with all fathers in a divorce situation, spends very little time with his boys," said a royal chronicler, Christopher Wilson. "He is going to have to reorder his life."

The Diana-Charles rift in rearing children goes back years.

In June 1991, when William was accidentally hit on the head with a golf club at boarding school, Diana's reservations about her husband's hands-off fathering made headlines. While William lay in the hospital awaiting surgery on his skull, Charles excused himself to be host at a party for visiting European officials.

Her biographer, Andrew Morton, quoted a friend of the princess later as having said: "Had this been an isolated incident, it would have been unbelievable. She wasn't surprised. It merely confirmed everything she thought about him."

Charles, meanwhile, confided to friends that Diana sometimes assured his absenteeism by scheduling family events when he was already committed elsewhere.

In her last interview before her death, Diana said she would have long ago left Britain but for concern for her sons.

Overwhelmed by her own royal debut 17 years ago, the princess was determined to prepare the boys for coming responsibilities — while assuring that they had a good time like other children and also experience the world beyond privilege.

The princess instituted "fun days" and "work days" for the princes, dressing them in jeans and baseball caps for a bite to eat at McDonald's, a movie or a ride on a roller-coaster. On work days, the boys had to dress properly, shake hands and "forget any thoughts of selfishness," she once explained.

"When they begin, they will be properly prepared," Diana said. "I am making sure of this. I don't want them suffering in the way that I did."

But suffering, it seems, is as enduring as the royalty itself.

William soured on life in the royal fish bowl even before the accident early Sunday, which some attribute to the relentless media attention paid to his mother. Royal sources let it be known last year that the queen and Charles were deeply concerned that the young heir to the throne was becoming hostile to his public role. British media reported that he turned down opportunities to travel with his mother because he hated being stalked by photographers. The king-to-be reportedly dreads the thought of assuming the high-profile crown.

While both boys will obviously be devastated by the loss of their mother, there is less public anxiety over Harry, who is younger, happy-go-lucky and who shoulders little of the burden of his brother's royal destiny.

William, by contrast, is withdrawn and was painfully aware of his parents' unhappy marriage and his mother's every up and down.

"The most wonderful thing is that Prince William has all of the best attributes of Diana, and she will live on through Prince William," said Richard Branson, a business magnate and long-time friend of the princess, during a television tribute to her. "It obviously would have been wonderful if she could have given him a few more years, but I think most of his formative years are already there."

Diana's Choice To Renounce Guards Left Her Vulnerable

Compiled by Our Staff From Dispatches

LONDON — A decision by Diana, Princess of Wales, to renounce round-the-clock police protection given to members of the Royal Family, exposed her to danger before her fatal Paris car crash, security experts said Tuesday.

After her divorce from the Prince of Wales a year ago, Diana began to slip from the tight confines of royal circles.

Diana chose to cast off the constant surveillance of specially trained police officers, whose role it is to protect the House of Windsor.

The car in which she and her companion Dodi al Fayed died in a high-speed Paris road crash was being driven by a man who French police said was more than three times over the drunk-driving limit. The driver, Henri Paul, was employed by the Ritz Hotel, which is owned by the al Fayed family.

British security experts said that if trained members of the Royal Protection Squad had been still looking after her, that would not have happened.

A British police spokesman said driving — or reporting for any kind of duty — under the influence of alcohol was a disciplinary offense.

An independent expert was scathing about the level of protection — just one car, a driver and a bodyguard — accorded to "the world's No. 1 celebrity" on the night she died.

"Had that been my assignment I would expect to be sued," Ivor Haring of Associated Emergency Security Services in London said. His company specializes in close protection of celebrities and VIPs.

He said the Mercedes car carrying Princess Diana and Mr. al Fayed should have been followed by another car with two more trained bodyguards and possibly even a third car, also with two security men.

The chase cars should have contained medical equipment, and the bodyguards should have been trained in paramedic resuscitation skills, Mr. Haring said.

Following cars would also have been able to deter some of the paparazzi photographers on motorcycles who were shadowing the princess through the streets of Paris on the night she died.

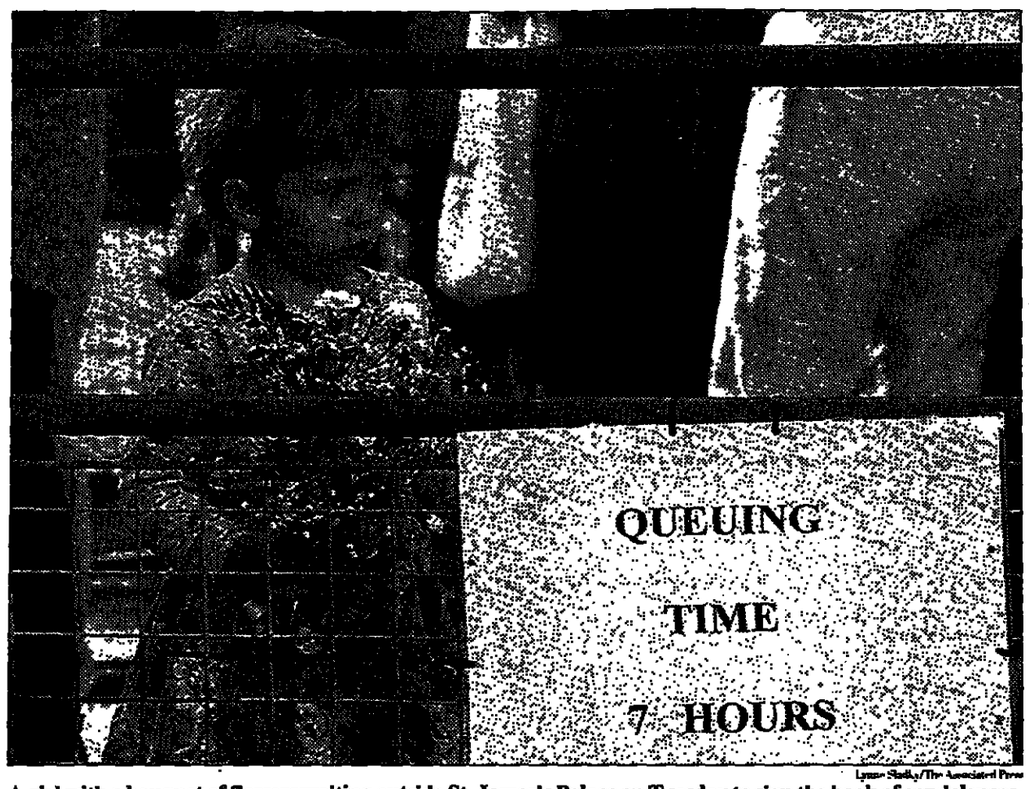
The driver of the car carrying the princess, Mr. Paul, a 41-year-old former French naval officer, twice attended courses run by Mercedes at its Stuttgart headquarters, according to the Harrods department store owned by Mr. al Fayed's father.

"Mr. Paul was trained in anti-terrorism techniques using heavy bullet-proof cars and conventional models. On this occasion he was driving a standard Mercedes S-class car," a Harrods statement said.

But all the training in the world would not be much use if the driver had consumed what has been estimated at the equivalent of well over a bottle of wine.

"It is irrelevant whether he had participated in a driving program because he was legally intoxicated at the time of the accident," a Mercedes official said.

Already the world's most photographed woman, Diana gave up her Royal Protection Squad bodyguards as her marriage to the royal heir, Prince Charles, fell apart and she felt the need to strike out on her own. *(AFP, Reuters)*



Lynne Sladky/The Associated Press

A girl with a bouquet of flowers waiting outside St. James's Palace on Tuesday to sign the book of condolences.

Village Braces for Its Role as Shrine

The Associated Press

GREAT BRINGTON, England — Outside the tall iron gates of the ancestral home of Diana, Princess of Wales, candles, gifts and balloons nestle in a sea of flowers. Villagers believe it may be the makings of a shrine.

For it is to the tiny local church of St. Mary the Virgin that Diana's body will come after her funeral service Saturday in London's Westminster Abbey.

She will be buried close to her beloved father, the eighth Earl Spencer, and among 20 generations of forebears going back almost five centuries.

"It is right she should come back here — it is her home," said Tom Regan, who came to Althorp House, where Diana was raised, to mourn her death.

"But look at all this — it reminds me of Graceland," he said, referring to Elvis Presley's home in Memphis, Tennessee, which has become a virtual shrine since the singer's death.

Villagers worry about the burden that may fall on this rural hamlet propped against an emerald hill if Diana's admirers come in large numbers, emulating the hordes of Elvis fans.

"My initial reaction was, 'Great! This is where she should be.' But then I thought about the implications for the village," said Christine Whiley, postmistress of Great Brington.

"We are a very quiet village, and this will bring a lot more people for a long time to come. We don't want it to turn into a circus, so we just hope that people will remember that the church is a place of worship."

Nevertheless, Britain's churches have long offered a focus for pilgrims. Over the centuries, they have encouraged visitors to tour the graves of monarchs, priests and other notables; Westminster Abbey, where many British kings are buried, was designed with that in mind.

Jean MacPherson, whose husband, David, is the priest in charge at St. Mary's, is also concerned about the impact of Diana's death on this close community of 200 near Northampton, 50 miles (90 kilometers) from London.

"I spoke to the church warden, and he was horrified because he felt it would not only be this week, but there would be tremendous interest for years to come," she said.

Great Brington, which has a post office and pub but no public parking, first began attracting visitors after Diana married Prince Charles in 1981, but interest declined after their 1992 divorce.

The 13th century St. Mary's, with its square steeple and small tidy churchyard, is a mile from Althorp House. Diana will be interred in the Spencer family's private chapel in the church's northeast corner. It is visible through blue and gold ornamental iron railings.

Diana's brother, Charles, the ninth earl, who has returned from his home in South Africa to supervise funeral arrangements, has said that only immediate family will attend the burial.

Betty Andrews, 76, a former cook and housekeeper at Althorp, said Diana loved the estate, with its rambling, wooded grounds. "Looking back, it was probably the happiest time of her life," she said. "You get the sense that she is coming home."

Investigated but Not Charged: How French Legality Operates

Compiled by Our Staff From Dispatches

PARIS — The photographers who went before a judge Tuesday to determine their role in the crash that killed Diana, Princess of Wales, were continuing a three-step legal process.

In France, for a person to become a suspect in a case, he must first be placed under formal investigation. A suspect is not charged unless he goes to trial.

The three-step process begins with the arrest of a suspect and a preliminary investigation by the prosecutor's office, which decides whether a case should go before judicial authorities.

If a judicial investigation is opened — step two — a judge is assigned to conduct the inquiry. The judge decides whether the suspect should be placed under formal investigation and on what counts.

When placing a suspect under investigation, the judge can free him on his own recognizance or decide to hold him in jail.

When the judicial inquiry is completed, the suspect is either exonerated or brought to trial — step three. At the trial, the specific charges are formally lodged.

A vaguely worded French law requiring people to help accident victims or face possible jail or fines lies at the heart of the investigation into Diana's fatal car crash.

The French law is an unusual variation on "Good Samaritan" laws in force in other countries. It seeks to punish those who fail to offer assistance rather than to encourage people to help by indemnifying them from legal blame should their efforts fail.

Last revised in 1993, the law generally requires people to help — or summon help for — someone in danger unless they would themselves be placed in danger by doing so.

It also bars individuals from hampering the work of emergency crews. Violations are punishable by up to five years in prison and fines of up to 500,000 francs ($81,500). *(AP, Reuters)*

DIANA: *Judicial Inquiry Into Paris Crash Moves to Manslaughter*

Continued from Page 1

would be able to talk to investigators.

The photographers released without bail Tuesday were Jacques Langevin, who was on assignment from the Sygma agency; Nikola Arsov, of the Sipa agency; Laszlo Veres, a free-lancer, and Serge Arnal, of the Stills agency. Stephane Darmon, a motorcycle driver working for the Gamma agency, also was released on his own recognizance.

Goksin Sipahioglu, head of Sipa, said after Mr. Arsov's release: "He was not among those who took off in pursuit of the car from the Ritz. He arrived on the scene 15 minutes later, when the police and the ambulances were already there, and walked into the tunnel with his camera. For that he was handcuffed and arrested. It's just a big show."

Mr. Langevin, an award-winning news photographer who has covered wars and other events around the world, did not even know about the wreck when he came on it unexpectedly, Sygma's director, Hubert Henrotte, told Le Monde.

"He has never gone on a 'chase' in his life," Mr. Henrotte said. "He has nothing to do with the gang of paparazzi. But on his way he came on the accident scene, a good seven minutes after it happened, and the police were already there. As a good professional, he took pictures of the rescue and of the wrecked car, and they hauled him in."

If the photographers had tried to pull the injured Diana or her bodyguard out of the wrecked vehicle, where doctors found her unconscious and moaning, they could have hastened her death and killed Mr. Rees-Jones unless they knew what they were doing, experts said.

"The injured should never be moved, but the emergency services should be notified and further collisions avoided," Alain Patel, head of the trauma department of the Raymond Poincare hospital in Garches, told Agence France-Presse.

The driver in the accident, Mr. Paul, was called in place of Mr. al Fayed's usual chauffeur at the Ritz, who drove off as a decoy while the couple and their bodyguard set off from a back entrance of the Ritz Hotel toward the Place de la Concorde and around it in a wide arc to where the riverside artery heads west.

At the place where that artery takes a lefthand jog and goes under the Place de l'Alma, Mr. Paul apparently lost control and smashed into the 13th square concrete support pillar. The car then bounced across the roadway and smashed into a concrete wall.

Mr. Rees-Jones, the bodyguard, is 29, served in the Gulf War and has been working as a bodyguard for the al Fayed family for the last several years, according to friends and relatives. He was apparently the only one in the car wearing a seatbelt at the time of the accident.

Mr. Rees-Jones is one of a large security staff employed by Dodi al Fayed's father. His regular assignments with the younger al Fayed had earned him the nickname "Dodi's Shadow."

Al Fayed Files Suit On Privacy Invasion

Reuters

PARIS — Mohamed al Fayed, whose son Dodi died in the car crash with Diana, Princess of Wales, filed a civil suit in the case at a Paris court on Tuesday, his lawyer said.

Georges Kiejman told journalists that he had informed the investigating magistrate to ask for the inquiry to be widened to include possible charges of violation of privacy against his son and Diana.

"This is very important insofar as this is a prior chapter to the tragedy and there is a causal link," he said. "There was a chase, without which the driver would neither have taken that route nor used that speed."

The suit would allow Mr. al Fayed to participate in any trial against the photographers and be paid reparations if they are decided.

Britain Set to Stand Still

Country Will Shut Down to Honor Diana

Compiled by Our Staff From Dispatches

LONDON — Britain will come to a standstill and silence will echo throughout the land on Saturday as the nation mourns Diana, Princess of Wales.

Buckingham Palace has called on the country to observe one minute of silence as a mark of respect to Diana after her funeral Saturday at Westminster Abbey.

Town centers will be deserted. Most major retailers said that they would not open to enable their employees to mourn Diana, who was killed in a car crash in Paris early Sunday.

"Closing businesses for all or part of Saturday will give people the chance to privately mark the occasion in whatever way they choose," said Simon Sperryn, chief executive of the London Chamber of Commerce.

"Retailers should be assured that customers will understand the reasons why the shops are closed," he said.

"And it is likely that they themselves will be in no mood for shopping," he added.

One major retailer said Tuesday that its stores would be open Saturday but would commemorate Diana by donating profits to the British Red Cross's campaign against anti-personnel land mines, a charity close to the princess's heart.

The Cancer Research campaign has said that it would close its 250 charity shops on Saturday.

Britain's football stadiums, normally packed on Saturday afternoons, will stand empty.

All horse races have also been canceled, and a major cricket final has been postponed.

After the massive outpouring of grief for Diana following the shock of her death, the focus is on the funeral, which is expected to be the biggest in London since 300,000 people lined the streets to pay their respects to Sir Winston Churchill, Britain's wartime leader, in 1965.

The minute of silence will follow the funeral, which begins at 1000 GMT at Westminster Abbey.

After the funeral, Diana's body will be taken to the Spencer family estate in Althorp, central England, for a private burial beside 20 generations of her family.

People are expected to flock to the capital from all over the country.

Many will line up along the funeral route from St. James's Palace, where Diana's body is now lying, to Westminster Abbey.

Buckingham Palace announced that 500 representatives of charities with which Diana had close links would also walk in the procession.

"We hope that the representatives will come from all backgrounds, and include children and disabled people," said a palace spokeswoman.

"The families believe that it would be fitting and in accordance with the Princess's wishes if the procession is largely made up of people who have worked for and benefited from her charities," she said.

Railroad companies say they will add extra trains to bring people to London from around the country.

Buckingham Palace has begun talks with the police about expanding the area where mourners may stand.

Concerns had been raised that the route could not hold the waves of people expected.

A palace spokeswoman said consideration was being given to placing crowd barriers in the road instead of on the sidewalks to create more space.

(Reuters, AFP)

Hillary Clinton to Go To Diana's Funeral

Reuters

EDGARTOWN, Massachusetts — Hillary Rodham Clinton will attend the funeral of Diana, Princess of Wales, in London on Saturday, the White House said Tuesday.

A White House spokesman, Joe Lockhart, made the announcement in Martha's Vineyard, where President Bill Clinton and his wife are on vacation.

The president will not attend the funeral, an official said, because protocol rules made it inappropriate.

MOURN: *Central London Falls Silent*

Continued from Page 1

ing their horns at tourists who looked left instead of right while stepping off the curb, a policeman cocked his ear and marveled: "Listen to that. It's so quiet. I've never heard it like this. Never."

Britons have surprised even themselves with their great outpouring of emotion following Diana's death. The national stereotype calls for accepting tragedy with a stiff upper lip, but Britain is obviously shocked, and obviously unashamed to show its feelings. Anchormen become choked up on the air. Callers to talk shows read poetry they have written in Diana's honor. People talk of little else than her death and her coming funeral.

One of the places to measure the depth of those feelings Tuesday was central London. As they have done the since Sunday, thousands came to place flowers at the gates in front of Buckingham Palace, the residence of Queen Elizabeth II. The perpetual large crowd in front of the palace, hundreds of people at any given time, makes no crowd noise. People whisper when they speak, or do not speak at all.

There are now thousands of bouquets stretching the length of the ornate palace gates, flowers along with teddy bears, handwritten notes, paintings and sketches of Diana. The messages are full of unabashed sentiment. "The one and only Lady Diana. The one jewel in the crown," reads one note, attached to a bunch of irises, slowly wilting in the uncommonly bright sunshine.

Walking Tuesday down the Mall from Buckingham Palace toward Trafalgar Square was like being sent back in time. With no traffic noise, and no shouting or laughing from tourists, the only sound was the crunching of gravel underfoot. A few mounted policemen rode past, and then a dozen of the queen's guard riding tall in scarlet coats, and then another mounted group in ceremonial green capes — the clip-clop of horses, sounds that echoed along the Mall 200 years ago.

Stretching several blocks was a line of people waiting to sign the book of condolences at St. James's Palace, where Diana's body is lying until Saturday. Polite policemen informed them they would have to wait several hours, but no one seemed deterred. The line, thousands long, was as quiet and penitent as a line of parishioners in a church heading up to the altar to take Communion.

Miles away, on the other side of Hyde Park, lies another oasis of quiet amid the cacophonous city — Kensington Palace, where Diana lived. On Tuesday, adjacent Kensington Gardens were full of the usual lunchtime strollers, Frisbee-throwers and Rollerbladers. But as you walked toward the palace, the moment you crossed an imaginary line the noise ended. In front of the palace gates was a large, silent crowd, thousands strong.

The final quiet place in central London Tuesday was the sidewalk in front of the Harrods department store owned by Mohamed al Fayed, whose son Dodi died with Diana in the automobile crash in Paris. Harrods is in a narrow, bustling, noisy part of west London. But on Tuesday, when people passed the tables where the condolence books for Dodi al Fayed were available for signing, they fell silent. They walked past without speaking. Some stopped and joined the line.

Internet Is a Shortcut For Tributes to Diana

Reuters

BRUSSELS — Thousands of people from around the world plugged into the Internet on Monday to pay tribute to Diana, Princess of Wales.

The unprecedented electronic outpouring of grief seemed a testament to Diana's stature and her place in the affections of millions worldwide.

Those unable to place a floral tribute outside her Kensington Palace home in London posted their grief-laden, and often angry, messages via computer.

While most were short, simple messages of thanks to the princess and of hope for her two sons, many people gave vent to outrage against paparazzi photographers, whom many accused of having hounded the princess to her death.

A site set up by Buckingham Palace for condolence messages (http://www.royal.gov.uk/vbk/index) was jammed Monday as vast numbers of people tried to log in.

Another site, "A Tribute to Princess Diana," was set up (http://www.ntgi.net/cgi-bin/diana/list.pl) inviting people to post their "thoughts and feelings regarding the tragic death."

هكذا من الأصل

INTERNATIONAL HERALD TRIBUNE,
WEDNESDAY, SEPTEMBER 3, 1997
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STAGE/ENTERTAINMENT

TOMORROW: HEALTH SCIENCE

Day-to-Day Dominates Dinos at Venice Film Festival

By Roderick Conway Morris
International Herald Tribune

VENICE — While major global threats like the invasion of the planet by hostile aliens and rampaging born-again dinosaurs are taken care of by the big studios with the big bucks, more day-to-day concerns such as unrequited love, adultery, sickness, death and bereavement — some of the main themes of the in-competition films shown at Venice so far — currently seem the preserve of the lower-budget productions.

Zhang Yimou's eagerly anticipated "**Keep Cool**" was finally screened at the Venice Film Festival, which runs through Saturday, after failing to overcome the bureaucratic hurdles in time for Cannes.

It begins racily with Xiao Shuai (Jiang Wen), a muscular book dealer with a speech impediment, in love-sick, hot pursuit of the leggy, chic An Hong (Qu Ying), who, however, turns out to have more of a walk-off than walk-on part.

An Hong has some shady friends in the entertainment business who overreact to her complaints that her admirer is pestering her and beat him up on the street. During the affray the bookseller grabs the portable computer bag of a harmless, bespectacled passerby, Lao Zhang (Li Baotian). The pedestrian's subsequent embroilment in Xiao Shuai's vendetta provides the mainspring of the farcical events that follow.

There are some amusing moments, but Zhang's anxieties that this brand of Chinese humor might not be fully appreciated elsewhere were well founded, and the noisy, pop-video-style sound track and relentlessly jerky camera work become tiresome and repetitive.

The Russian writer-director Pavel Chukhrai's "**Vor**" (The Thief) is more traditional in form and more substantial in content. Chukhrai, who was born in Moscow in 1946, sets out to depict through an idiosyncratic story the world he grew up in, a world of communal apartments where, with the devastation of World War II and Stalin's gulags, men were in short supply and tens of thousands of children were being raised by single women.

Katya, a war widow, is on a train with her small son, Sanya, when she encounters and is seduced by a handsome army officer, Tolyan, who in reality is a con man, cardsharp and thief. Soon hopelessly in love with this scoundrel, Katya remains with him despite her disgust at his activities and terror of the consequences, and the three rove around Russia, taking rooms in apartment houses and fleeing after Tolyan has befriended and robbed the neighbors.

Despite the man's obvious villainy, Sanya finds in Tolyan a substitute for the father he never knew and learns from him how to survive in a hard world — in which before long he will find himself utterly alone. The story, superbly shot and infused with bittersweet humor and pathos, conveys a vivid picture of a little-known Russia. Eight-year-old Misha Filipchuk gives a wonderful performance as the child Sanya, and Vladimir Mashkov and Yekaterina Rednikova are no less convincing as Tolyan and Katya.

Mostra Internazionale del Cinema

Mother and daughter: Phyllida Law, left, and Emma Thompson in Alan Rickman's "The Winter Guest."

Although tackling adultery and Aids, Mike Figgis's "**One Night Stand**" is essentially a comedy of modern manners, and none the worse for that. Max (Wesley Snipes) is a successful advertising executive who briefly returns to New York from Los Angeles, where he has married and settled, and ends up, through a series of wholly unpredictable circumstances, spending a night with the also married Karen (Nastassja Kinski).

Returning a year later to see his dying gay friend Charlie (Robert Downey Jr.), Max is again confronted with the consequences of his brief encounter. Some of the zaniest scenes take place by Charles's death bed (in which Downey triumphs over a face covered by an oxygen mask that reduces him to acting with his eyes and eloquent eyebrows). Wesley Snipes brings dignity and depth of character to Max, and Ming-Na Wen is memorably awful as his lissome, low-fat, crashingly boring, culture-free Californian wife, Karen.

In Bob Gosse's "**Niagara, Niagara,**" Marcy, credibly played by Robin Tunney, suffers from the rare Tourette's syndrome, which afflicts sufferers with severe physical tics and can intermittently cause them to blurt out involuntary obscenities. She falls in with an incompetent young shoplifter, Seth (Henry Thomas), whom she persuades to set out with her on a journey to Niagara.

They commit a series of crimes along the way, but lack the viciousness and hardware of Oliver Stone's preposterous "Natural Born Killers." Solidly in the road-movie tradition, "Niagara, Niagara" has the requisite "alternative" aura. Yet the unintentional moral seems to be that, if you suffer from Tourette's syndrome, keep taking the prescribed medication, and don't on any account try to substitute it with lashings of Jack Daniels.

Admirers of Alan Rickman's acting may find his first excursion into directing, in "**The Winter Guest,**" less satisfying. The film, set in a wintry Scottish coastal village, stars Emma Thompson as the recently widowed Frances, with her mother played by Thompson's real-life mother, Phyllida Law.

A day the fictional mother and daughter spend together is paralleled by the days spent by Frances's teenage son Alex and the girl who has taken a fancy to him: two younger boys who are playing hooky from school, and a pair of old ladies who fill their empty hours attending funerals. The pace is slow, the feel often irritatingly stagy and the script ultimately insubstantial.

Lighter and with fewer pretensions is Philip Saville's "**Metroland,**" which premiered in Venice in the out-of-competition British Renaissance section. Based on Julian Barnes's novel, the film is the tale of Chris (Christian Bale), who has settled down with Marion (Emily Watson) in northwest London's superstaid commuter belt.

Their placid life is disrupted by the reappearance after several years of Chris's old school chum and onetime fellow '60s rebel Toni (Lee Ross), who is still living out the anti-establishment, bohemian aspirations of their younger days, and who seems determined to lay temptation in Chris's way and break up the happy home. Casting and performances are good, and the flavor and language of the English '60s and '70s are well caught in Adrian Hodge's script.

Grittier, more contemporary, but tinged with an old-fashioned idealism that recalls "To Sir, With Love," is Shane Meadow's first feature, "**TwentyFourSeven.**" In this No-Weddings-and-a-Funeral, set in rundown, working-class Midlands England, shot in black and white, and introducing some raw new talent, Bob Hoskins plays a local oddball, Darcy, who starts a boxing club to get the aimless, chain-smoking local lads off the street.

Hollywood 'Hurlyburly': A Tale of Sex, Drugs and Self-Obsession

By Sheridan Morley
International Herald Tribune

LONDON — Given the mutual loathing between New York and Los Angeles, it is remarkable that "**Hurlyburly**" ever became a Broadway hit, unless the disintegration of the movie industry, which is mirrored in the sex, drugs and rock'n'roll of young people living in sordid splendor in the Hollywood Hills, made their East Coast contemporaries feel even more superior.

Set in the early '80s, that time when the idiotic flower power of the '70s had transmuted into the twentysomething self-obsessed, all-important generation, "Hurlyburly" reached into the underside of the movie industry at exactly the moment when it was taken over by the "suits" and came up with sex, drugs, some rock 'n' roll, but mainly sex and drugs. Here we have a collection of young Hollywood hopefuls of the younger variety, circa 1984, for all of whom the most important element in life is expressed by a line early in the play, "What did she say about ME?" The self-obsession of these educated but out-of-control young men, the cheap or not-so-cheap thrills of the single or single-again lifestyle of the nearly rich and not-quite-famous is David Rabe's subject matter, and in those innocent days before David Mamet's "Speed the Plow" and even Ben Elton's "Popcorn" this was original, incisive and troubling.

LONDON THEATER

"Hurlyburly" is really very funny and, despite its scatological vernacular, deeply and traditionally moral. Most of the time, though, the hostility that underlies the entire play — toward the movie industry, toward women, toward their best friends, toward their ex-wives, toward an America moving too fast into corruption, depravity and rootlessness and toward themselves — takes second place to Rabe's uncanny ear for the psychobabble that started in L.A. and spread to the rest of the world. Rabe's men are terrified of their women, even the hitchhiking girl who has been given to them as a present and who touches down with them briefly; their fear is expressed in general misogyny and a tendency to refer to all women, even a newborn baby girl, as "bitches."

Sheila Burnett

A scene from "Hurlyburly."

Rabe has perfectly skewered his time — the way the empty-headed flower power of the '70s gave way to the self-absorbed and violent egotism of the '80s, and the director, Wilson Milam, has clearly rethought his production since it premiered at the Old Vic as part of Peter Hall's first season. It needed rethinking. It's now faster, funnier, scarier, more outrageous and better played, and it often rises to the shock value of its first Broadway run. He has recast, too, replacing Elizabeth McGovern with Jenny Seagrove (proving again that we have underestimated her abilities) in the small but crucial role of Darlene, the chick with brains, and while Susannah Doyle, Andy Serkis and Rupert Graves remain from the original cast, he has also drafted David Tennant, Mark Benton and Jessica Watson to add definition to the text.

Since the Old Vic, Graves in the pivotal role of Eddie has grown and broadened, no longer afraid of the sharpness of his long speeches, no longer slowing up in the emotional moments, but pounding relentlessly through the corrosive dialogue, finding the weaknesses in Eddie and the soft underbelly of an easy-come, easy-go society. Graves has turned into a dangerous actor who takes risks, most of which work well here. This is a fine technical performance and through it the audience has the opportunity to view this alien world through the eyes of a participant rather than an observer.

"Hurlyburly" is a period piece as frozen in time as its brave producer's other West End success, "An Ideal Husband," but one that still has something to say. Even if it hadn't, Rabe, Milam, Graves and Serkis are all giving powerhouse performances at the Queen's.

"**Lucky Stiff**" is a surprise, and a good one. This charming little show is another triumph for the off-West End Bridewell Theatre, a British premiere of a comic musical by the American writers who were responsible for "Once on This Island," which was a huge hit both on and off-Broadway. They are also behind this season's most eagerly awaited Broadway musical, "Ragtime." Lynn Ahrens (book and lyrics) and Stephen Flaherty (music) write big, tuneful scores in the Golden Age of Broadway tradition, but their sensibility is resolutely of their own time. Here, they have adapted Michael Butterworth's novel "The Man Who Broke the Bank at Monte Carlo."

The usually stunning Tony Award-winner Frances Ruffelle is unrecognizable in a tweed skirt, stringy hair and ankle socks, while Paul Baker, in addition to being able to sing and act, has a fine line in English embarrassment in foreign parts, complete with shorts and gray socks. The show is unamplified, which gives the more experienced cast members a problem, accustomed as they are to body mikes for volume. As a result, Ruffelle's lyrics are often swallowed and hard to hear.

The casting coup was unquestionably the hugely talented Olivier Award winner (for "She Loves Me") Tracie Bennett. Some day soon someone is going to write a musical for her; she is a comic in the Carol Channing tradition with a fine voice, and she looks sensational. As the New Jersey Mafia bride she is little short of breathtaking on every level. And Paul Baker is a real find as Harry.

That's on the plus side. On the minus side, just about everybody else works hard but is either undercast, miscast or inadequate

"Lucky Stiff" is designed with oversize casino chips and dice that also serve as phone boxes, suitcases and chairs, in a clever primary-colors set by Gary Underwood and directed by Steven Dexter, whose last Bridewell production, "Romance, Romance," transferred to the West End. His work is sharp and innovative, with an imaginative comic sense. The entire Bridewell creative team is young and new, musically literate and bursting with energy. As expected from Ahrens and Flaherty, the songs are tuneful, intelligent, often very funny. Several are clever and all of them work.

With "Lucky Stiff" the skeleton is there. A better supporting cast and a bigger budget for the "special effects" will give this delightful little musical the future it deserves.

BOOKS

APACHES

By Lorenzo Carcaterra. 336 pages. $25. Ballantine.

Reviewed by
Andy Solomon

CONTROVERSY surrounded the 1995 publication of Lorenzo Carcaterra's allegedly nonfiction "Sleepers," and took another swirl last year when the film version appeared. Disclaimers at the film's end by New York's Department of Corrections and the Manhattan District Attorney's Office raised suspicion that the only real crime in the film was its bombastic voice-over narration; wardens and bishops denied the likelihood of the book's reformatory rapes and priestly perjury. Carcaterra stuck by his story.

Artistically, the argument seems barely worth making. As Frank Lloyd Wright said, "The truth is more important than the facts."

Whatever the facts, Carcaterra convinced us that some incarcerated boys endure far more anguish than they'd ever intended to inflict, and that their lives can be destroyed rather than corrected by institutionalization.

Now, with his first novel, "Apaches," he moves from memoir to pulp noir, working in a hackneyed but ever-appealing format: the all-star team of good guys assembled to battle evil. Nothing about "Apaches" purports to be factual. Everything about it cries out "Cable TV Movie."

The "apaches" are Boomer, Dead-Eye, Pins, Geronimo, Reverend Jim and Mrs. Columbo. Each was a New York cop. Each was among the best. By the early 1980s, each suffered some career-ending wound that stole the meaning from their lives. To them, "A life void of action was a death sentence. . . . The red gauge on their adrenaline tanks was brushing on empty."

But in 1982, when 12-year-old Jennifer Santori is kidnapped in front of New York's Port Authority terminal and her father comes for help to Giovanni (Boomer) Frontieri, these walking disability pensions can return to life. Boomer calls ex-partner Davis (Dead-Eye) Winthrop, and the two ex-cops track down Jennifer just in time to save her life, though not in time to prevent her repeated rape and savage bearing.

Carcaterra, though, is more intent on showing that Boomer and Dead-Eye have saved their own lives. Boomer assembles all the "cripples" like himself at his neighborhood pub, Nunzio's, run by Nunzio Goldman, the mob-connected friend with a heart of roughly 10-karat gold. We've seen this assemblage before — from "The Seven Samurai" to "The Iliad" — but this time think of it as "NYPD Bruised." In addition to Boomer, who was slashed, shot and flung down three flights of stairs, and Dead-Eye, shot in an elevator in the leg, chest and both arms, there's Pins Ryan, the electronics whiz who took four mistaken bullets from a jealous husband; Geronimo Lopez, munitions expert who dived onto a grenade; Mary Silvestri, a/k/a Mrs. Columbo, homicide sleuth who was stabbed in the lung and stomach, and the Reverend Jim Scarponi, junkie turned undercover cop, who left the force after he was set afire on a stakeout.

Their mission, should the reader decide to accept it: Bring down Lucia Carney. She's the 38-year-old beauty who rose above an impoverished childhood and preteen work in the family prostitution business to become one of the largest cocaine smugglers in the world.

We're talking no garden-variety ruthlessness here. Lucia's method of smuggling? She finds teen runaways, has her crew get them pregnant, takes the babies, fattens them for six months, then kills them. The tiny corpses, sliced open and packed with cocaine, are then flown around the country by young "mules" masquerading as mothers of unusually sound-sleeping infants. The children fly back filled with money.

Like his plot, Carcaterra's prose has all the subtlety of a George Foreman right cross. He's made the common mistake of thinking that by his third book he should sound like a "writer."

HE does. He sounds like Raymond Chandler with a migraine: "Lucia Carney was sitting on the crest of a six-hundred-million-dollar mountaintop and had come too far over too many long nights to let anybody throw her off."

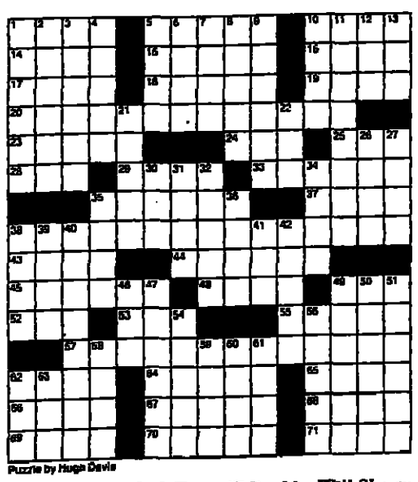
Yet, despite its triteness, "Apaches," like "Sleepers," showcases Carcaterra's ability to create chillingly evil characters and a world horrifying in its depravity. Miles Davis once said of musicians, "Sometimes you have to play a long time before you can sound like yourself." Writers too. When Carcaterra does that, he has some gifts that may show to powerful advantage.

Andy Solomon, who chairs the English Department at the University of Tampa, wrote this for The Washington Post.

CROSSWORD

ACROSS
1 They sweep at the regatta
5 Malay for "man"
10 Come to a ——
14 Unbending
15 Rhythmic pattern in poetry
16 Spindle
17 Leaf projection
18 City near Boys Town
19 Strike
20 Oscar winner for "Jerry Maguire"
23 Words to no one in particular
24 Star Wars program, Abbr.
25 Bluesman —— Mahal
28 Born abroad
29 Certain tennis stroke
33 L.A. suburb near Sherman Oaks
35 Giraffe-like ruminants
37 Whet
38 Noted Italian religious philosopher
43 Advance
44 —— Beach, Calif.
45 Former Big Apple mayor
48 Certain tide
49 Author LeShan
52 John — —
53 Help-wanted abbr.
55 Exclusive, as circles
57 Longtime welterweight boxing champ
62 Crossword maker's canvas
64 Honored the flag
65 France's 1947 Literature Nobelist
66 Church section
67 The Velvet Fog
68 Neck and neck
69 Hammer's end
70 Alaska's North ——
71 Let

DOWN
1 Garage sculptor
2 Sir
3 Pop singer Dupree
4 Three-time Masters champ
5 Sequel to "Typee"
6 San ——, Italy
7 Not much
8 Certain grape sodas
9 Like some dames
10 Requirement of Islam
11 Sweat
12 Everyone
13 Scenic Scottish river
21 Small lizard
22 Ingredient in a boomerang
26 O'Neill's "— — Christie"
27 Smokey —— (Broadway hit locale)
30 Showoff
31 Translucent gem
32 Galileo, e.g.
34 —— Pet (novelty item)
35 "Horrors!"
36 Wise guy
38 Musher's need
39 Kind of list
40 Relax
41 Sine — — non
42 Free, as clothing
46 Disney frame
47 Boosts
49 Salad ingredient
50 Muffle
51 Burning with desire
54 Laud
56 African river
58 Perfect place
59 Fighting bull
60 Gambol
61 Nice notion
62 Econ. statistic
63 TV actress Charlotte



Puzzle by Hugo Davis

© *New York Times/Edited by Will Shortz.*

Solution to Puzzle of Sept. 2

A	L	D	E	R		A	B	B	R		L	E	C	H
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BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

This Week		Last Week	Wks. on List
	FICTION		
1	COLD MOUNTAIN, by Charles Frazier	2	8
2	UNNATURAL EXPOSURE, by Patricia Cornwell	1	5
3	SPECIAL DELIVERY, by Danielle Steel	3	8
4	PLUM ISLAND, by Nelson DeMille	4	13
5	IF THIS WORLD WERE MINE, by E. Lynn Harris	6	5
6	THE NOTEBOOK, by Nicholas Sparks	5	45
7	THE PARTNER, by John Grisham	7	25
8	THE GOD OF SMALL THINGS, by Arundhati Roy	10	3
9	LONDON, by Edward Rutherfurd	8	13
10	UP ISLAND, by Anne Rivers	9	12
11	FAT TUESDAY, by Sandra Brown	11	10
12	SERPENT'S TOOTH, by Faye Kellerman		1
13	CHASING CEZANNE, Peter Mayle	12	10
14	APACHES, by Lorenzo Carcaterra		1
15	POWER OF A WOMAN, by Barbara Taylor Bradford	13	7
	NONFICTION		
1	ANGELA'S ASHES, by Frank McCourt	1	50
2	THE PERFECT STORM, by Sebastian Junger	2	12
3	INTO THIN AIR, by Jon Krakauer	3	17
4	THE MAN WHO LISTENS TO HORSES, by Monty Roberts	15	2
5	THE BIBLE CODE, by Michael Drosnin	5	11
6	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	4	163
7	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	6	37
8	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	7	32
9	BRAIN DROPPINGS, by George Carlin	8	13
10	CONVERSATIONS WITH GOD: Book 2, by Neale Donald Walsch	9	15
11	THE GIFT OF FEAR, by Gavin de Becker	10	9
12	EVEN THE STARS LOOK LONESOME, by Maya Angelou		1
13	MARTHA STEWART - JUST DESSERTS, by Jerry Oppenheimer	11	7
14	JUST AS I AM, by Billy Graham	12	16
15	BILLIONS AND BILLIONS, by Carl Sagan	13	5
	ADVICE, HOW-TO AND MISCELLANEOUS		
1	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	1	4
2	MIRACLES CURES, by Jean Carper	2	72
3	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	3	204
4	KIDS ARE FUNNY, from the "The Rosie O'Donnell Show"	4	7

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The Associated Press.

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KYOCERA

Doubletree And Promus Set Merger

U.S. Hotel Operator To Form No. 3 Chain

Fed Keeps Eye

CURRENCY

Cross Rates

KYOCERA BYTES

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE

WEDNESDAY, SEPTEMBER 3, 1997

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Doubletree And Promus Set Merger

U.S. Hotel Operators To Form No.3 Chain

Compiled by Our Staff From Dispatches

PHOENIX, Arizona — Doubletree Corp. and Promus Hotel Corp. agreed Tuesday to merge to form the third-largest hotel chain in the United States, uniting such lodging brands as Embassy Suites and Red Lion, in a deal that values Doubletree at $1.98 billion.

Doubletree holders will get one share of the new company, which will continue to be called Promus Hotel Corp., for each of their shares, while Promus investors will get 0.925 share.

In addition to the exchange of stock, the new Promus will acquire $201 million of debt from the old Promus and $514 million in debt from Doubletree.

The union of the companies, which cater to upscale and mid-priced travelers, would create an entity with $5 billion in annual revenue. That is third behind No. 1 Holiday Inn and second-place Marriott.

"This makes the entire entity much more competitive," said Joseph Coccimiglio, an analyst at Prudential Securities Inc. in New York.

The combined company would have 1,136 hotels, approximately 172,000 rooms, and more than 40,000 employees in the United States and parts of Latin America and Asia.

"They don't step on each other's toes as much as they complement each other," said Harry Venezia, an analyst at Raymond James Associates.

But shares of Phoenix-based Doubletree tumbled on the news, finishing down $5 at $45, reducing the value of the deal.

Shares of Promus, based in Memphis, Tennessee, rose $2.0625, to $40.875.

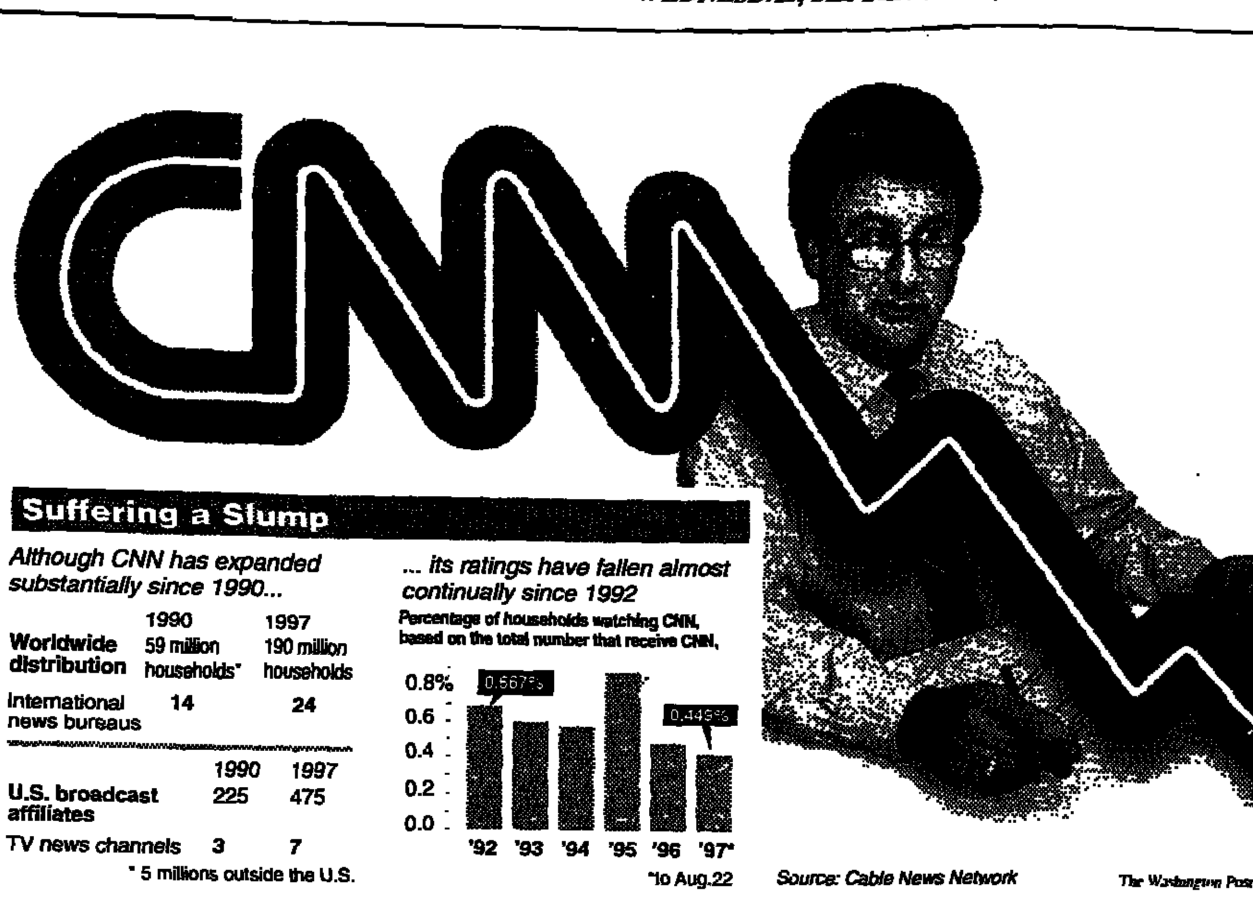
Raymond Schultz, the president and chief executive officer of Promus, will be chairman and chief executive of the merged company.

Doubletree's president and chief executive, Richard Kelleher, will serve as president and chief operating officer following the merger. He will succeed Mr. Schultz as chief executive when Mr. Schultz retires, the companies said.

Promus operates the Embassy Suites, Hampton Inn and Homewood Suites, Embassy Vacation Resort and Hampton Vacation Resort chains. Doubletree is the franchiser of Doubletree Hotels, Doubletree Guest Suites, Club Hotels by Doubletree and Red Lion brands.

The merger is the latest in series of combinations in the booming hotel industry, which is generating record profits as the industry rebounds from the overbuilding of the 1980s.

The hotel real estate investment trust Starwood Lodging, for example, is in talks to buy Westin Hotels & Resorts for more than $1 billion from Starwood Capital Group LP and Goldman Sachs & Co. *(Bloomberg, AP)*



Rick Kaplan, hired to restore vigor to CNN, especially its evening newscasts, is looking for a prominent anchor.

CNN Confronts a News Crisis – Itself

By Paul Farhi
Washington Post Service

WASHINGTON — For CNN, the latest trouble spot is not in some far-flung country. It is right at headquarters in Atlanta.

Cable News Network Inc., which revolutionized television news with round-the-clock reporting, is mired in a long and deepening slump. No longer the innovator, CNN has been struggling to keep viewers' attention in a field overrun with look-alike competitors.

Daily ratings have sagged 5 percent in the last year and are down 49 percent since the O.J. Simpson murder case fueled viewer highs in 1995.

While CNN undoubtedly will see a ratings jump for this week, following the death of Diana, Princess of Wales, it has otherwise been a slow news year — a Mars mission here, a plane crash there.

The audience numbers this year have occasionally descended to depths unprecedented in CNN's 17-year history. The downward trend has raised concern, if not panic, for CNN's owner, Time Warner Inc., which bought CNN's parent, Turner Broadcasting System Inc., last autumn for $7.5 billion.

Last month, Time Warner began a face-lift of Ted Turner's most famous creation by hiring an ABC news veteran, Rick Kaplan, to take over domestic operations. The first assignment for Mr. Kaplan, a 34-time Emmy winner: sprucing up the dreary 8 P.M. and 10 P.M. newscasts that bracket "Larry King Live," CNN's highest-rated show.

Mr. Kaplan has also been given carte blanche to hire "a major anchor," as one senior executive puts it, tacitly acknowledging that CNN's early evening mainstays, Bernard Shaw and Judy Woodruff, may be yesterday's news.

The network made passes at Dan Rather and Tom Brokaw, but neither of the network anchors is signing on.

So far, CNN's problems have not translated into an exodus by the one audience that Time Warner probably cares about most: advertisers. Despite

MEDIA MARKETS

declines in viewership, CNN's core audience is educated and affluent, making it highly desirable among sponsors, according to Kathy Haessle, an ad buyer for Advanswers Media in St. Louis.

According to internal figures, CNN will generate about $540 million in advertising and subscription revenue this year — an increase of 78 percent since 1990, when ratings began to run up to historic highs with the Iraqi invasion of Kuwait and the resulting Gulf War.

What is more, CNN has begotten an expanding stable of TV networks and related media enterprises, all of which use some part of the network's golden brand name.

The CNN News Group includes seven news channels, such as Headline News, CNNfn for financial news, the sports news service CNN/SI (a venture with Time Warner's Sports Illustrated), and CNN en Espanol.

Sources inside the company say the group will post sales of more than $900 million this year, more than double the level of seven years ago. Operating cash flow has also doubled, to a projected $280 million.

But CNN executives clearly view the erosion of the network's audience as a major long-term threat.

"No one here is content with static audience levels, and I can assure you, no one is happy with a decline," said the group chairman, Tom Johnson, who oversaw CNN until Mr. Kaplan was hired. "We expect to continue growing, both domestically and internationally."

CNN's problems do not seem amenable to an easy fix. For one thing, the network traditionally has thrived when the news is hot. In an earlier housecleaning, Mr. Johnson tried, with some success, to ease CNN's dependence on hard news by adding "magazine" and news talk shows, such as the legal-affairs chatfest "Burden of Proof." Mr. Kaplan may try more.

But some observers suggest that the news is not CNN's problem — it is CNN, they say, that is the problem.

"They've been doing things the same old way for a long time," said Herb Brubaker, a former network news producer who heads the Television News Center, which trains journalists for the medium. "Their stories aren't visually imaginative."

Inflation Relief Vaults Stocks More Than 3%

257-Point Dow Gain Is Biggest Ever

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rallied more than 3 percent Tuesday, propelling the Dow Jones industrial average more than 250 points, its highest gain ever, after a report offered some relief from the inflation worries that have jostled the market in recent weeks.

The Dow closed 257.36 points higher, at 7,879.78, surpassing its 186-point rally in 1987, a day after the stock market collapse.

The market was closed Monday for Labor Day.

The surge Tuesday followed the worst monthly percentage decline for the 30-stock average in seven years and coincided with investors' return from summer vacations.

In percentage terms, stocks posted their biggest rise since Jan. 17, 1991, when the Dow rose 4.6 percent at the start of the Gulf War.

The Standard & Poor's 500-stock index was up 28.11 points at 927.58, and the technology-heavy Nasdaq composite index soared 30.68 to 1,618.00.

Stock prices also got a lift as prospects for earnings appeared better than August's retreat had suggested.

"If you stick with the quality names, I think you'll be rewarded in the long run, so I'd buy on weakness," said Richard Ciardullo, head of trading at Liberty Investment Management Corp. in St. Petersburg, Florida.

The rise in stocks picked up speed as bonds rallied on a National Association of Purchasing Management report on manufacturing in August.

After a series of reports suggesting that the economy might be accelerating at an inflationary pace, investors were heartened to see that manufacturing growth slowed in August.

The group's index of business activity fell to 56.8 points in August from 58.6 points in July, suggesting that growth is not fast enough to speed up inflation or prompt the central bank to raise interest rates. An index of prices was little changed.

The price of the benchmark 30-year Treasury bond climbed 20/32 to 97 20/32, lowering the yield to 6.56 percent from 6.61 percent on Friday.

Verity dropped 1 1/8 to 5 5/16 after the network software publisher said it expected to exceed the $6 million loss recorded in the quarter ended May as revenue slid to $5.3 million from $8.8 million.

Donaldson, Lufkin & Jenrette rose 1 to 60 3/4 after Frankfurter Allgemeine Zeitung reported that Dresdner Bank AG, Germany's second-largest bank,

See MARKET, Page 14

Apple Buys Out Clone Maker

Compiled by Our Staff From Dispatches

NEW YORK — Apple Computer Inc. said Tuesday that it would buy Power Computing Corp., a maker of Macintosh clones, for $100 million, neutralizing some of the competition that has taken a piece of Apple's sales and giving the company new expertise selling machines directly to the public.

Apple is also getting back the license that allows Power Computing to sell Macintosh-based machines, and Power Computing will stop selling the clones at the end of the year.

"Power Computing has pioneered direct marketing and sales in the Macintosh market, successfully building a $400 million business," said Steve Jobs, the Apple co-founder, who has been leading the company while it looks for a new chief executive.

The assets also include the right to retain "key employees" from Power Computing's direct marketing, distribution and engineering operations; Power Computing's customer database; and the license to distribute the Macintosh OS operating system.

Power Computing was the first company given permission to market its own version, or clone, of Macintosh computers. Sales of Macintosh clones have risen in the past few years as Apple's losses widened. *(Bloomberg, AP)*

Fed Keeps Eye on Economic Might

By Richard W. Stevenson
New York Times Service

JACKSON HOLE, Wyoming — Once again, the surprisingly robust U.S. economy is testing the limits of the Federal Reserve Board's pragmatic approach to monetary policy.

Several Fed officials, interviewed last weekend during their annual meeting with central bankers, government officials and economists from around the world, said that they were less confident that the economy was about to slow on its own.

While they said it remained unclear whether the long-lasting expansion was finally pushing the economy into an inflationary danger zone, for now the economy should be considered guilty unless proved innocent.

But the officials gave no direct indication of whether they were more likely to raise interest rates when the Fed's policy-making body meets next on Sept. 30.

Some of the officials admitted that they had underestimated the economy's resiliency, especially in light of Thursday's figures showing that second-quarter growth was 3.6 percent, not the 2.2 percent originally estimated by the Commerce Department. And they suggested that they were now less inclined to assume that prices would continue to be stable.

Despite its reputation for waging an uncompromising war on inflation, the Fed has proved willing over the last year and a half to generally refrain from interest-rate increases even as growth remained strong and unemployment was low and falling. It has done so because there have been no real signs of accelerating price increases.

During that period, the Fed felt compelled to raise rates only once, on March 25, when it nudged its federal funds target rate up by a quarter-point, to 5.5 percent. That action came at the end of a quarter in which the economy grew 4.9 percent, roughly twice what most economists consider a prudent rate.

Since then the Fed has left official rates unchanged at three successive policy meetings, in May, July and August, and the central bank's chairman, Alan Greenspan, has ruminated publicly about whether unrecorded improvements in productivity have helped to increase the economy's noninflationary growth capacity.

But with that big question still unresolved, Fed officials said they continued to examine the economy closely, looking for hints that the strong growth might be creating the conditions that lead to inflation.

Fed officials said that they viewed the economy as subject to swirling cross-currents that make its course for the rest of the year difficult to predict.

CURRENCY & INTEREST RATES

Cross Rates

Sept. 2

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.065	3.2905	1.1266	0.3348	0.1157*	—	5.456*	1.3786	1.6958*	1.493	1.3365*
Brussels	37.4875	60.085	20.6465	6.1345	2.1174*	18.327	—	25.122	0.3092	27.14	24.4925*
Frankfurt	1.8192	2.9085	—	0.2971	0.1026*	0.8877	4.8432*	1.2166	1.4959*	1.312	1.1859*
London (a)	1.5936	—	2.9287	9.8285	2,843.54	3.2899	48.3098	2.3897	193.7977	2.2049	246.2431
Madrid	153.591	245.392	84.371	25.054	8.648*	74.849	4.0847	102.599	126.256*	110.84	—
Milan	Not Available										
New York (b)	—	1.5915a	1.8344	6.1722	1,787.08	2.0467	37.28	1.506	121.575	1.3837	153.46
Paris	6.1304	9.7945	3.3656	—	0.3452*	2.9875	0.163	4.0951	5.0294*	4.4241	3.9925*
Tokyo	120.60	194.03	66.38	19.73	0.681	58.95	3.236	80.78	—	86.89	0.7877
Toronto	1.3838	2.2022	0.7545	0.2242	0.0774*	0.6699	0.3654*	0.9182	1.1389*	—	0.895*
Zurich	1.5008	2.3917	0.8208	0.2439	0.0843*	0.7286	3.9742*	—	1.2355*	1.0864	0.974*
1 ECU	1.0826	0.6776	1.972	6.637	1,922.87	2.2216	40.7153	1.6207	131.703	1.5002	166.239
1 SDR	1.3636	0.8403	2.4463	8.2449	2,399.16	2.76	50.5868	2.0219	162.743	1.8933	286.991

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	286.34	Mex. peso	7.81	S. Afr. rand	4.692
Australian $	1.3774	Hong Kong $	7.7482	N. Zealand $	1.5637	S. Kor. won	902.20
Austrian sch.	12.819	Hung. forint	195.44	Norw. krone	7.5263	Swed. krona	7.8948
Brazil real	1.0933	Indian rupee	36.38	Phil. peso	30.30	Taiwan $	28.69
Chinese yuan	8.2884	Indo. rupiah	2900.00	Polish zloty	3.48	Thai baht	34.15
Czech koruna	33.50	Irish £	0.6787	Port. escudo	182.08	Turkish lira	165810.
Danish krone	6.9355	Israeli shek.	3.5108	Russ ruble	5830.00	UAE dirham	3.6725
Egypt. pound	3.398	Kuw dinar	0.31	Saudi riyal	3.7505	Venez. boliv.	497.00
Fin. markka	5.4779	Malay. ring.	2.9055	Sing. $	1.5165		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5966	1.5962	1.5957	Japanese yen	121.56	121.44	121.32
Canadian dollar	1.3832	1.3808	1.3785	Swiss franc	1.4936	1.4886	1.4834
Deutsche mark	1.8212	1.8203	1.8195				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 1/16 - 1 3/16	6 15/16 - 7 1/16	3 1/8 - 3 1/4	1/2 - 5/8	4 1/16 - 4 1/4
3-month	5 5/8 - 5 11/16	3 1/4 - 3 3/8	1 3/16 - 1 3/8	7 1/16 - 7 5/16	3 3/8 - 3 7/16	1/2 - 5/8	4 5/16 - 4 3/8
6-month	5 3/4 - 5 13/16	3 3/8 - 3 1/2	1 1/4 - 1 3/8	7 5/16 - 7 7/16	3 3/8 - 3 1/2	1/2 - 5/8	4 3/8 - 4 1/2
1-year	5 15/16 - 6 1/16	3 1/2 - 3 5/8	1 7/16 - 1 9/16	7 1/2 - 7 5/8	3 9/16 - 3 11/16	1/2 - 5/8	4 1/2 - 4 5/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	6.00	5 1/2
90-day CDs dealers	5.61	5.61
180-day CP dealers	5.52	5.52
3 month Treasury bill	5.07	5.08
1-year Treasury bill	5.27	5.27
2-year Treasury bill	5.93	5.95
5-year Treasury note	6.19	6.22
7-year Treasury note	6.23	6.27
10-year Treasury note	6.30	6.34
30-year Treasury bond	6.17	6.61
Merrill Lynch 30-day RA	5.11	5.11
Japan		
Discount rate	0.50	0.50
Call money	0.45	0.44
1-month interbank	0.53	0.53
3-month interbank	0.52	0.52
6-month interbank	0.54	0.54
10-year Govt bond	2.20	2.24
Germany		
Lombard rate	4.50	4.50
Call money	3.13	3.15
1-month interbank	3.20	3.20
3-month interbank	3.31	3.31
6-month interbank	3.47	3.47
10-year Bond	5.89	5.91
Britain		
Bank base rate	7.00	7.00
Call money	7.00	7 1/8
1-month interbank	7 1/8	7 1/8
3-month interbank	7 1/4	7 1/4
6-month interbank	7 3/8	7 7/16
10-year Gilt	7.03	7.03
France		
Intervention rate	3.10	3.10
Call money	3 1/16	3 1/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 5/16
6-month interbank	3 7/16	3 7/16
10-year OAT	5.59	5.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	325.10	322.50	—2.25
London	324.50	322.40	—2.10
New York	327.00	325.80	—1.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Global Private Banking

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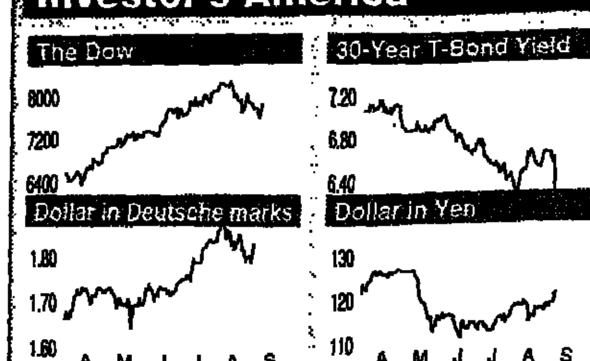
Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7879.78	7622.42	+3.38
NYSE	S&P 500	927.56	899.48	+3.12
NYSE	S&P 100	898.24	868.94	+3.37
NYSE	Composite	482.90	470.48	+2.64
U.S.	Nasdaq Composite	1618.00	1587.26	+1.94
AMEX	Market Value	656.87	650.16	+1.03
Toronto	TSE Index	6676.90	6608.30	+1.04
São Paulo	Bovespa	10816.36	10619.36	+1.86
Mexico City	Bolsa	4763.52	4648.68	+2.58
Buenos Aires	Merval	820.84	832.39	-1.39
Santiago	IPSA General	5515.32	5481.14	+0.62
Caracas	Capital General	9564.17	9711.43	-1.52

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

• **Beckman Instruments Inc.** said it had agreed to buy closely held **Coulter Corp.** for $1.05 billion in cash and assumed debt, moving to broaden its presence in the medical diagnostic equipment market. Beckman said it would pay $875 million in cash and assume about $175 million in debt to acquire Coulter, and will rename the merged companies Beckman Coulter Inc.

• **AlliedSignal Inc.** agreed to sell its automotive air-bag and seat-belt business to **Breed Technologies Inc.** for $750 million in cash and assumed debt. The business has annual sales of more than $900 million. It is the largest seat-belt supplier and third-largest supplier of air bags in the United States.

• **Ranger Oil Ltd.** said it made a friendly cash-and-share bid to acquire **Elan Energy Inc.** for 874 million Canadian dollars ($630 million) including assumed debt.

• ***Walt Disney Co.*** said that the president of the Disney Online operations, Jake Winebaum, will head a newly formed division encompassing all of Disney's Internet businesses. *(Bloomberg, AP)*

Weekend Box Office

The Associated Press

LOS ANGELES — "G.I. Jane" dominated the U.S. box office over the weekend, with a gross of $10.1 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday, Sunday and Monday.

1. G.I. Jane	(Hollywood Pictures)	$10.1 million
2. Money Talks	(New Line Cinema)	$9.5 million
3. Air Force One	(Columbia Pictures)	$8.1 million
4. Hoodlum	(United Artists Pictures)	$7.8 million
5. Conspiracy Theory	(Warner Bros.)	$6.8 million
6. Mimic	(Dimension Films)	$6.5 million
7. Excess Baggage	(Columbia Pictures)	$6.3 million
8. Cop Land	(Miramax)	$6.1 million
9. Kull the Conqueror	(Universal Pictures)	$3.5 million
10. Men in Black	(Columbia Pictures)	$3.3 million

Executive Pay Outpaces Earnings

IRS Data Show Raises Grew Much Faster Than Sales or Profits

By David Cay Johnston
New York Times Service

NEW YORK — Internal Revenue Service data made public Tuesday showed that from 1980 to 1995, a period when U.S. corporate sales and profits soared, the senior executives of companies did even better — with their pay rising at a much faster rate.

Total tax-deductible executive pay, before inflation, rose 182 percent, to $307.6 billion in 1995 from $109 billion in 1980.

Corporate revenues rose 129.5 percent, to $14.6 trillion in 1995 from almost $6.4 trillion in 1980, while taxable corporate profits rose 127 percent, to $560.1 billion from $246.6 billion.

Corporate income taxes rose 114 percent, to $197 billion from $91.9 billion.

Executive pay can grow much faster than corporate profits "only because chief executives are paying themselves," said Robert Monks, a principal of Lens Inc., an investment fund. "They have all this diaphanous language about performance and all these committee reports on how pay was determined, but the simple truth is that executives are setting their own pay."

The tax data actually understate significantly both the actual rise in corporate pay and the higher rate at which it has grown in comparison with corporate revenues, profits and income taxes. This is because over the 15-year period major changes took place in the composition of executive pay packages, effectively delaying corporate income-tax deductions for the bulk of executive compensation for periods ranging from a few years to decades.

Executives can defer part of salary or bonus, for example, and delay tax payments until the deferral ends, usually after retirement.

But the really big deferrals are in stock options. No taxes are due on stock options until they are exercised, which on average is seven years, said Graef Crystal, publisher of The Crystal Report, an executive-pay newsletter.

At the 1,000 large and midsize publicly traded companies that he tracks, Mr. Crystal said, the value of options awarded but not yet exercised by CEOs was $9.9 billion last year, while the executives made $1.2 billion from options they did exercise.

KEEP: Chief Executive Roberto Goizueta of Coca-Cola Co. alone has more than $1 billion in his deferral accounts, company filings with the Securities and Exchange Commission over the last 17 years show.

The highly publicized compensation packages granted to some executives a few years ago, at a time when pay for ordinary workers was relatively flat, prompted calls to rein in executive pay.

In 1993, Congress passed a law limiting to $1 million the amount of base pay to senior executives that a corporation could deduct on its income-tax return. Before 1994 there was no limit on the deductibility of executive pay.

But the new IRS figures show that not only did the law fail to accomplish its advertised goal, but executive pay increased at a 29 percent faster rate in the first year after the law took effect than in the previous 14 years that the service had collected comparable information.

From 1994, when the law took effect, to 1995, the amount that corporations deducted on their income-tax returns for executive pay increased more than 9.1 percent, the IRS figures indicate, compared with an average increase of 7 percent between 1980 and 1994.

"There was a lot of hoopla about how this law was supposed to cut down executive pay," said Michael Graetz, the author of "The Rise (and Fall?) of the Income Tax" and a Yale Law School professor. "But the law was really designed to not have any real effect — and this shows that, just as intended, it had no effect."

Workers Like Jobs But Not the Bosses

Washington Post Service

WASHINGTON — Most American workers like their jobs but think their supervisors' management and people skills are poor, according to results of a national survey by the management consulting company Watson Wyatt Worldwide.

About 61 percent told the company that they were "satisfied" or "very satisfied" with the work they do, but fewer than one in three said managers at the companies where they work made good and timely decisions.

And fewer than half of the workers thought their supervisors dealt fairly with them, clearly communicated goals, built teamwork or were able to coach workers to greater success.

The workers surveyed said that managers did not listen to them.

Dollar Strengthens On German Rate Talk

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against other major currencies Tuesday, particularly the Deutsche mark, after a Bundesbank council member indicated there was little chance of an imminent rise in German interest rates.

The dollar also climbed against the yen because of the financial turbulence in Southeast Asia and after a Japanese official indicated he approved of the decline in the yen.

The dollar was at 1.8344 DM in 4 P.M. trading, up from 1.8130 DM on Monday in London. U.S. markets were closed Monday for Labor Day.

The U.S. currency rose to 121.575 yen from 120.895 yen. It climbed to 1.5060 Swiss francs from 1.4925 francs and to 6.1722 French francs from 6.1009 francs.

The pound declined to $1.5915 from $1.6135.

The dollar's rise against the mark was helped by the National Association of Purchasing Managers data for August, which showed U.S. growth remains strong and price inflation is being kept at bay.

But most of the dollar's rise stemmed from comments by Olaf Sievert, who is a Bundesbank council member and president of the regional central bank of Saxony and Thuringia. He said that raising German interest rates to support the flagging mark would be "premature."

Mr. Sievert also suggested that if the euro, the planned single European currency, proved weak, it could lead to increases in interest rates across Europe.

Keith Edmonds, an analyst at Industrial Bank of Japan, said that the dollar was benefiting from the Bundesbank's indications that it would not raise interest rates in the near future.

On Tuesday, the German central bank had an opportunity to make a move on rates, but it left its securities repurchase rate unchanged at 3 percent.

Its next chance to decide a move on its key discount and Lombard rates is Thursday.

Speculation that the German central bank planned to raise rates has

FOREIGN EXCHANGE

mounted over the summer, first because of currency weakness and more lately because of signs of growing inflation in the economy, traders said.

But the German central bank's chief economist, Otmar Issing, who is also a council member, reiterated on Tuesday President Hans Tietmeyer's comments last week that the German inflation rate should not be overdramatized.

The dollar benefited from the yen's weakening as well.

Much of the gains against the yen came from comments by Finance Minister Hiroshi Mitsuzuka of Japan that traders interpreted to mean Japan will not try to halt the U.S. currency's rise.

Mr. Mitsuzuka said current exchange rates reflected "economic fundamentals," suggesting that he was comfortable with the dollar's rise.

The depreciation of Southeast Asian currencies has pulled the yen down in turn, and that is not necessarily unwelcome to Japanese authorities because their country must maintain its competitiveness against other Asian countries.

(AFP, Bloomberg, AP)

Siemens In Talks To Sell Divisions

MUNICH — [illegible]

MARKET: *Wall Street Returns to Life After Manufacturing Report Shows a Slowdown in August*

Continued from Page 13

was in talks with French insurer Axa-UAP SA to buy 20 percent of the U.S. securities firm, citing "financial circles close to the bank."

Some half-dozen securities firms have been snapped up by banks since the Federal Reserve Board loosened restrictions on commercial banks ownership of investment banks.

FX Energy fell after the company, based in Salt Lake City, announced that a test well in the Baltic region was not capable of commercial production. FX said it was plugging the well.

Smaller stocks continued a four-day rally, hitting records, though they could not match the Dow's clip.

C-Cube rose after Robertson, Stephens & Co. analyst Elias Moosa raised its rating to "buy" from "attractive."

C-Cube's revival speaks volumes about the

U.S. STOCKS

rally in small-cap stocks. The stock has jumped 86 percent since its low on May 22, even though it is still well below last summer's high of 48⅛.

"The Cokes and the Microsofts of the world are still very expensive, even though they have come down a lot," said Chris Luck, director of equities at First Quadrant Corp., which oversees $24 billion. "The valuation gap has made alternatives very compelling."

Hewlett-Packard rose 1⅝ to 63⅛ after the computer maker said it would cut prices as much as 30 percent on some networking products.

Netscape Communications rose 1⅜ to 41 7/16 after the developer of Internet browsing software said Novell and Oracle chose its Navigator software as their preferred browser. The company also plans to release "major Web initiatives" on Wednesday.

Philip Morris and RJR Nabisco Holdings Corp. raised wholesale cigarette prices Tuesday by an average of 7.6 percent to help pay for the tobacco industry's $368.5 billion plan to settle health-related lawsuits.

Retail prices will increase about 7 cents to an average of $1.87 a pack, the two companies told analysts. Smaller U.S. cigarette companies are likely to match the increase, said Gary Black, an analyst at Sanford C. Bernstein. He said the increase, the largest in several years, showed that the companies were willing to raise prices to pay for the national settlement even before it is approved by Congress. The settlement calls for retail prices to rise about 62 cents a pack, said Jeffrey Harris, an economist at the Massachusetts Institute of Technology.

Philip Morris shares rose $1.125 to $44.8125. RJR stock rose 62.50 cents to $35.4375, and Loews Corp. shares gained $3.375 to $105.3125. *(Bloomberg, AP)*

AMEX

Tuesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7667.25	7880.24	7622.42	7879.78	+257.36
Trans	2876.21	2927.11	2869.16	2926.60	+56.43
Util	231.93	235.88	231.77	235.86	+4.08
Comp	2406.70	2462.72	2397.12	2462.68	+65.43

Standard & Poors

	High	Low	Previous Close	Today 4:00
Industrials	—	—	1057.33	1090.80
Transp.	—	—	643.73	656.76
Utilities	—	—	197.55	200.61
Finance	—	—	103.41	106.75
SP 500	—	—	899.47	927.43
SP 100	—	—	868.94	898.32

NYSE

	High	Low	Last	Chg.
Composite	482.90	470.48	482.90	+12.42
Industrials	612.36	595.59	612.35	+16.76
Transp.	436.52	428.82	436.32	+7.49
Utility	285.19	280.15	285.19	+5.04
Finance	448.17	437.26	448.17	+10.91

Nasdaq

	High	Low	Last	Chg.
Composite	1618.12	1595.07	1618.00	+30.68
Industrials	1301.40	1287.42	1301.30	+17.61
Banks	1744.77	1713.60	1744.29	+31.43
Insurance	1738.54	1723.34	1738.29	+15.40
Finance	2078.83	2044.66	2078.83	+35.58
Transp.	1024.83	1013.14	1024.83	+11.49

AMEX

High	Low	Last	Chg.
656.89	650.14	656.87	+6.71

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.86	103.77
10 Utilities	101.59	101.64
10 Industrials	106.13	105.90

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	89187	69	66¹³⁄₁₆	68⅞	+3⅝
GenElec s	63938	66½	63½	66¼	+3¹³⁄₁₆
Barnett	61764	67⅛	65⁵⁄₁₆	66⅞	-1¼
NatnsBk s	60589	59⅝	58⅛	58¾	-1½
Gate2000 s	52854	39⅝	35¾	36¼	-2½
PhilMor s	51777	45⅝	44	45⅛	+1⅛
CocaCl	45536	59⅞	57	59⅞	+2⅞
IBM s	45120	104⁷⁄₁₆	101¼	104⅜	+2¾
PepsiCo	40972	36⁹⁄₁₆	36	36⁹⁄₁₆	+⅞
AT&T s	40111	40⅝	39	40½	+1½
Exxon s	36251	64	61⅝	64	+2⅝
Pfizer s	35727	58	56⅜	57⅞	+2¼
WalMart	33961	37⅞	35⅞	37⅜	+2⅛
DuPont s	33718	64⅞	62⅞	64⅞	+2⅞
Circus	33222	24¾	24⅛	24¾	+⅞

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	124778	95½	93	95	+2⅞
TeleComA	101419	17⅞	17½	17¾	+⅝
WorldCm	92155	31⅛	30	31	+1⅛
Ascend	90756	43⅛	40½	40⅞	-1⅞
3Com	71513	51½	49⅜	50¾	+⅝
Microsft s	62162	137½	133	137¼	+5
Oracle s	59069	39⅞	38⅛	38⅞	+⅞
SunMic s	56612	51½	48½	51⅛	+3⅛
MCI	53999	28¾	28⅜	28½	—
DellCpt s	52240	84⅞	82⅞	84⅞	+2⅞
Altera	50315	56	53	55½	+2¼
Cisco	47140	77⅝	75¾	77¼	+1⅝
ApldMat	41519	98⅞	95	98¼	+3¼
Amgen	39625	51⅜	49⅞	49½	+⅜
Novell	33984	9⅞	9⅛	9⅞	+⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	71879	93⁹⁄₁₆	90⅝	93⁹⁄₁₆	+2⅞
TWA	8290	7⅞	7⅜	7⅝	—
Harken	8141	6⅝	6	6½	⅛
Crystlls gn	6950	5⅝	4⅞	5⅝	+½
JTS Corp	6185	⅞	¾	⅞	—
Hearx	5777	2⅝	2⅛	2⅝	+¼
Andrea	5136	39⅝	36¼	39	+5⅝
KeyEng	5068	27⅞	26¼	27¼	+1½
ViacB	5059	30⅝	29⅞	30¼	+1½
Hasbro s	4951	28	26⅞	27¼	+⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	2174	1332
Declined	757	1485
Unchanged	475	554
Total issues	3406	3371
New Highs	241	144
New Lows	21	34

Nasdaq

	Noon	Prev.
Advanced	2318	2073
Declined	1126	2008
Unchanged	2005	1663
Total issues	5449	5744
New Highs	203	257
New Lows	49	39

AMEX

	Close	Prev.
Advanced	367	305
Declined	224	285
Unchanged	141	149
Total issues	732	739
New Highs	53	38
New Lows	7	8

Market Sales

	Today 4:00	Prev. cons.
NYSE	471.54	N.A.
Amex	24.50	N.A.
Nasdaq	507.08	N.A.

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Royal PTT Ned	b	.5396	9-25	9-30
STOCK SPLIT				
Andrea Electron 2 for 1 split.				
Digital Microwave 2 for 1split				
Mofatt Commun 2 for 1split				
UTI Energy 3 for 1 split.				
REVERSE STOCK SPLIT				
Kushner Locke 1 for 6reverse split.				
INCREASED				
Bk of Commerce	Q	.05	9-30	11-3
REGULAR				
Am%	Q	.06	10-15	10-31
BlckRck C	M	.0731	9-15	9-30
BlckRck FL	M	.06	9-15	9-30
BlckRck NJ	M	.0578	9-15	9-30
BlckRck NY	M	.0681	9-15	9-30
Burnham Pacif	Q	.25	9-23	9-30
Capital City Bk	Q	.15	9-16	9-30
Casto Corp A.	Q	.04	9-15	9-29
CommonSen	M	.055	9-30	9-30
Desert Comm	..	.06	8-31	9-30
Fst Sterling	Q	.09	9-1	9-15
Hancock Pat	M	.1031	9-8	9-30
IMCO Recycling	Q	.06	9-12	9-30
Interchange Fncl	Q	.135	9-20	10-17
Kellwood Co	Q	.16	9-9	9-19
LTC Properties	Q	.365	9-15	9-30
Maryland Fedl	Q	.20	9-5	9-19
MA Health & Ed	M	.062	9-15	9-30
Municipal Adv Fd	M	.0665	9-16	10-1
Oppenhmr Mul	M	.074	9-12	9-26
Oppenhmr Wld	M	.056	9-12	9-26
Petroleum Heat	Q	.075	9-15	10-1
Pilgrim AmPrmRt	M	.0695	9-8	9-18
Telephone Data	Q	.105	9-16	9-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued. ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 2, 1997

	High	Low	Latest	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	270	264½	269¼	+4	19,478
Dec 97	272¼	266¼	272¼	+3	190,511
Mar 98	281¼	275¼	281½	+3½	47,881
May 98	286	279½	285¼	+3	12,927
Jul 98	289¼	283	289	+3¼	19,369
Sep 98	276	271¼	275¼	+5¼	1,559
Dec 98	273¾	268	273¾	+2½	11,175
Est. sales 54,000 Fri's sales 59,311					
Fri's open int 303,010, off 2,216					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 97	224.00	220.80	224.00	+2.60	19,035
Dec 97	210.20	205.80	209.00	+1.80	44,104
Jan 98	205.00	202.00	204.70	+1.70	9,419
Mar 98	200.30	197.50	199.00	+2.10	9,926
May 98	199.00	196.50	198.20	+1.50	7,043
Jul 98	200.00	198.00	200.00	+2.50	4,465
Est. sales 21,000 Fri's sales 22,609					
Fri's open int 110,739, up 657					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Sep 97	22.94	22.75	22.87	+0.27	4,926
Oct 97	23.12	22.96	23.04	+0.20	19,016
Dec 97	23.53	23.28	23.41	+0.21	39,655
Jan 98	23.69	23.48	23.59	+0.19	10,497
Mar 98	23.88	23.72	23.84	+0.23	7,341
May 98	23.98	23.80	23.97	+0.22	2,865
Est. sales 13,000 Fri's sales 15,523					
Fri's open int 88,079, off 1,473					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	674	665	671¼	+5¾	8,667
Nov 97	635	624	633¾	+8¼	87,953
Jan 98	637	627½	636¼	+8¾	21,055
Mar 98	645	635½	643¾	+8½	8,476
May 98	651	643	650¼	+8	6,577
Est. sales 37,000 Fri's sales 40,047					
Fri's open int 141,976, up 1,651					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	379	372½	377¾	-½	6,354
Dec 97	394½	389	394	unch.	68,331
Mar 98	408	399	406¼	+½	21,241
May 98	407	400½	407	unch.	3,238
Est. sales 21,000 Fri's sales 26,768					
Fri's open int 108,360, off 48					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb					
Oct 97	67.60	67.07	67.40	+0.20	44,839
Dec 97	69.30	68.60	69.25	+0.50	25,194
Feb 98	71.87	71.42	71.75	+0.12	13,421
Apr 98	73.92	73.55	73.80	+0.07	6,315
Jun 98	70.55	70.30	70.47	+0.07	4,706
Aug 98	70.25	70.05	70.05	+0.05	1,147
Est. sales 8,706 Fri's sales 17,180					
Fri's open int 95,622, off 1,029					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Sep 97	79.15	78.62	78.90	+0.22	3,434
Oct 97	79.07	78.50	78.67	+0.05	6,717
Nov 97	80.10	79.50	79.62	-0.10	4,218
Jan 98	81.00	80.55	80.72	+0.07	2,466
Mar 98	80.75	80.35	80.55	+0.12	1,389
Apr 98	80.67	80.50	80.60	+0.15	417
Est. sales 2,327 Fri's sales 3,247					
Fri's open int 21,722, off 80					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb					
Oct 97	71.10	69.87	70.25	-0.20	17,534
Dec 97	68.10	67.10	67.47	+0.10	7,005
Feb 98	66.77	66.00	66.32	-0.02	3,337
Apr 98	63.00	62.35	62.45	-0.20	1,606
Jun 98	67.70	67.30	67.35	+0.05	933
Est. sales 7,399 Fri's sales 3,112					
Fri's open int 31,493, up 131					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb					
Feb 98	69.50	66.90	67.00	-0.72	1,813
Mar 98	69.40	67.05	67.15	-0.65	363
May 98	69.20	66.80	66.80	-1.22	88
Est. sales 2,057 Fri's sales 783					
Fri's open int 4,201, off 119					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1673	1645	1672	-16	205
Dec 97	1723	1685	1706	-11	43,199
Mar 98	1745	1714	1733	-2	27,432
May 98	1764	1731	1751	-1	12,034
Jul 98	1768	1757	1768	+1	2,863
Sep 98	1787	1776	1787	+1	4,601
Est. sales 7,465 Fri's sales 13,095					
Fri's open int 105,901, up 1,373					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Sep 97	196.25	191.75	196.25	+4.75	665
Dec 97	185.50	181.00	184.95	+5.05	10,968
Mar 98	167.00	163.25	166.90	+4.70	3,984
May 98	160.85	158.00	160.85	+3.65	1,553
Jul 98	155.75	153.50	155.75	+3.30	1,313
Est. sales 7,101 Fri's sales 6,340					
Fri's open int 19,066, up 356					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Oct 97	11.72	11.49	11.70	+0.10	85,740
Mar 98	12.19	11.89	12.09	+0.08	75,398
May 98	12.05	11.89	12.04	+0.09	18,327
Jul 98	11.83	11.74	11.79	+0.04	12,304
Est. sales 24,258 Fri's sales 22,730					
Fri's open int 203,236, off 2,461					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	68.50	67.70	68.25	+0.40	2,676
Nov 97	70.20	69.20	69.65	-0.30	16,679
Jan 98	72.90	72.20	72.60	-0.40	7,790
Mar 98	75.95	75.10	75.60	-0.40	4,929
Est. sales N.A. Fri's sales 6,500					
Fri's open int 1, off 34,496					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 97			323.00	-1.50	46
Oct 97	326.10	323.20	324.00	-1.50	15,438
Nov 97			324.80	-1.60	
Dec 97	328.40	325.00	325.80	-1.60	102,970
Feb 98	329.90	327.30	327.50	-1.60	15,323
Apr 98	329.40	329.30	329.40	-1.60	5,387
Jun 98	331.50	331.10	331.50	-1.60	8,282
Aug 98			333.70	-1.60	3,149
Oct 98			336.00	-1.60	111
Est. sales 25,000 Fri's sales 113,615					
Fri's open int 191,966, off 2,647					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Sep 97	99.25	95.50	95.55	-3.55	4,364
Oct 97	98.50	96.30	96.30	-3.40	2,133
Nov 97	97.00	96.10	96.40	-3.05	1,476
Dec 97	100.00	96.05	96.20	-3.10	21,152
Jan 98			96.20	-2.90	773
Feb 98	96.50	96.00	96.00	-2.50	726
Mar 98	97.80	96.25	96.50	-2.00	3,195
Apr 98			96.00	-2.20	539
May 98	97.60	95.80	95.80	-2.20	1,865
Est. sales 10,000 Fri's sales 14,198					
Fri's open int 42,753, off 4,225					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Sep 97	467.50	458.00	459.50	-2.10	3,093
Oct 97			461.90	-2.30	78
Nov 97			465.30	-2.30	
Dec 97	474.00	464.50	466.20	-2.30	51,833
Jan 98			467.80	-2.30	22
Mar 98	480.00	472.00	473.10	-2.30	11,344
May 98	480.00	477.40	477.40	-2.30	3,220
Jul 98			481.70	-2.30	2,263
Est. sales 12,000 Fri's sales 16,999					
Fri's open int 77,625, off 3,985					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	412.00	406.50	409.70	+2.00	9,829
Jan 98	406.00	400.50	404.20	+1.50	2,798
Apr 98			400.20	+3.00	438
Jul 98			396.20	+3.00	2
Est. sales N.A. Fri's sales 559					
Fri's open int 13,067, off 14					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1579½	1580½	1590.00	1593.00
Forward	1607.00	1607½	1617.00	1618.00
Copper Cathodes (High Grade)				
Spot	2150.00	2152.00	2173.00	2175.00
Forward	2155.00	2156.00	2176.00	2177.00
Lead				
Spot	631½	632½	636½	637½
Forward	644.00	645.00	649.00	650.00
Nickel				
Spot	6490.00	6500.00	6525.00	6535.00
Forward	6590.00	6600.00	6620.00	6630.00
Tin				
Spot	5335.00	5345.00	5345.00	5355.00
Forward	5385.00	5395.00	5400.00	5410.00
Zinc (Special High Grade)				
Spot	1660.00	1665.00	1622.00	1625.00
Forward	1489.00	1490.00	1483.00	1484.00

	High	Low	Close	Chge	OpInt
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct					
Sep 97	94.96	94.94	94.95	+0.02	6,407
Dec 97	94.84	94.77	94.83	+0.02	2,645
Mar 98			94.79	+0.04	1,206
Est. sales N.A. Fri's sales 581					
Fri's open int 10,258, off 8					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	106-58	106-37	106-56	+08	111,463
Dec 97	106-40	106-14	106-36	+08	106,777
Est. sales 47,000 Fri's sales 78,482					
Fri's open int 218,240, off 2,466					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-11	108-23	109-08	+07	190,343
Dec 97	109-00	108-11	108-28	+06	221,335
Mar 98	108-18	108-17	108-17	+06	3,741
Est. sales 70,007 Fri's sales 121,646					
Fri's open int 415,419, up 9,605					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	113-23	112-20	113-19	+15	213,651
Dec 97	113-10	112-07	113-06	+14	344,400
Mar 98	112-30	112-05	112-28	+15	33,429
Jun 98			112-15	+14	2,539
Est. sales 350,000 Fri's sales 751,316					
Fri's open int 595,704, off 40,753					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-00	114-19	114-30	+0-03	76,897
Dec 97	114-22	114-08	114-19	+0-03	121,444
Mar 98	N.T.	N.T.	114-08	+0-03	198,341
Est. sales 71,188. Prev. sales 58,576					
Prev. open int 198,341 off 1,246					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.45	102.04	102.37	+0.04	190,150
Dec 97	101.54	101.15	101.47	+0.03	91,697
Mar 98	100.45	100.45	100.57	+0.02	64
Est. sales 225,877 Prev. sales 178,463					
Prev. open int 290,906 up 1,746					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	129.98	129.64	129.84	—0.02	154,722
Dec 97	98.78	98.48	98.66	—0.02	19,052
Mar 98	98.14	98.14	98.06	—0.02	0
Est. sales: 109,360.					
Open int.: 173,774 off 1,068.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	137.24	136.36	137.22	+0.82	72,098
Dec 97	109.15	108.38	109.08	+0.60	49,548
Mar 98	N.T.	N.T.	109.62	+0.60	121,646
Est. sales: 83,548. Prev. sales: 52,106					
Prev. open int.: 121,646 up 7,709					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Sep 97	94.35	94.34	94.35	unch.	14,923
Oct 97	94.33	94.31	94.33	unch.	8,435
Nov 97	94.28	94.25	94.28	unch.	10,252
Est. sales N.A. Fri's sales 4,538					
Fri's open int 41,794, up 7					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.27	94.24	94.26	unch.	464,583
Oct 97	94.19	94.15	94.18	unch.	6,759
Dec 97	94.11	94.05	94.10	+0.01	511,250
Mar 98	94.02	93.94	94.02	+0.03	354,394
Jun 98	93.92	93.83	93.91	+0.03	277,748
Sep 98	93.82	93.72	93.81	+0.03	217,384
Dec 98	93.70	93.60	93.69	+0.04	189,156
Mar 99	93.67	93.58	93.66	+0.03	134,469
Jun 99	93.63	93.53	93.62	+0.04	105,791
Sep 99	93.58	93.50	93.58	+0.04	85,750
Dec 99	93.52	93.43	93.51	+0.04	74,816
Mar 00	93.51	93.43	93.51	+0.04	64,751
Est. sales N.A. Fri's sales 402,258					
Fri's open int 2,807,326, off 1,452					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6114	1.5860	1.5906	-.0288	45,857
Dec 97	1.6050	1.5800	1.5846	-.0286	1,707
Mar 98			1.5782	-.0284	217
Est. sales N.A. Fri's sales 5,250					
Fri's open int 47,782, off 957					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7248	.7208	.7232	+0.0022	54,661
Dec 97	.7288	.7245	.7268	+0.0022	8,703
Mar 98	.7312	.7290	.7297	+0.0022	731
Est. sales N.A. Fri's sales 10,708					
Fri's open int 64,372, off 925					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5542	.5451	.5454	-0.0079	99,247
Dec 97	.5570	.5485	.5486	-0.0079	7,435
Mar 98	.5560	.5517	.5517	-0.0079	1,593
Est. sales N.A. Fri's sales 34,295					
Fri's open int 108,444, up 3,768					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8320	.8227	.8249	-0.0032	95,907
Dec 97	.8425	.8336	.8357	-0.0032	7,760
Mar 98	.8470	.8470	.8470	-0.0032	592
Est. sales N.A. Fri's sales 48,712					
Fri's open int 104,268, up 12,611					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6729	.6643	.6646	-0.0066	49,792
Dec 97	.6773	.6714	.6717	-0.0065	4,294
Mar 98	.6787	.6787	.6787	-0.0065	1,061
Est. sales N.A. Fri's sales 13,236					
Fri's open int 55,357, off 366					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12815	.12720	.12807	+.00390	20,897
Dec 97	.12320	.12222	.12317	+.00390	15,003
Mar 98	.11880	.11800	.11872	+.00426	5,716
Est. sales N.A. Fri's sales 4,891					
Fri's open int 43,721, off 1,292					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.74	92.70	92.73	+0.03	105,641
Dec 97	92.58	92.54	92.56	+0.02	128,976
Mar 98	92.55	92.50	92.53	+0.03	108,509
Jun 98	92.58	92.54	92.57	+0.04	76,416
Sep 98	92.66	92.61	92.65	+0.04	57,032
Dec 98	92.75	92.71	92.74	+0.03	51,595
Mar 99	92.83	92.79	92.82	+0.04	43,634
Est. sales: 65,099 Prev. sales 33,638					
Prev. open int 667,872 up 3,790					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.67	96.66	96.67	+0.01	224,802
Oct 97	N.T.	N.T.	96.58	Unch	1,976
Nov 97	N.T.	N.T.	96.52	Unch	400
Dec 97	96.47	96.43	96.45	Unch.	287,720
Mar 98	96.31	96.27	96.29	-0.01	271,425
Jun 98	96.09	96.04	96.07	-0.01	214,857
Sep 98	95.87	95.81	95.84	-0.01	150,596
Dec 98	95.62	95.56	95.59	-0.01	161,481
Mar 99	95.44	95.38	95.40	-0.02	131,155
Jun 99	95.26	95.21	95.23	-0.02	70,342
Est. sales: 94,971 Prev. sales 136,874					
Prev. open int 1,668,868 up 4,896					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.57	96.55	96.55	-0.01	58,729
Dec 97	96.40	96.36	96.38	-0.01	36,314
Mar 98	96.26	96.22	96.23	-0.02	28,956
Jun 98	96.10	96.05	96.06	-0.02	23,852
Sep 98	95.95	95.88	95.90	-0.02	26,971
Est. sales: 38,447					
Open int.: 252,444 off 1,973.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.23	93.17	93.19	-0.03	97,595
Dec 97	93.58	93.52	93.56	+0.01	91,072
Mar 98	93.95	93.88	93.95	+0.07	59,151
Jun 98	94.25	94.15	94.25	+0.09	46,520
Sep 98	94.42	94.33	94.43	+0.10	36,749
Dec 98	94.52	94.42	94.51	+0.11	31,719
Est. sales: 56,930. Prev. sales: 30,517					
Prev. open int.: 391,603 up 960					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	73.28	72.80	73.20	+0.50	7,227
Dec 97	73.47	73.00	73.41	+0.48	48,100
Mar 98	74.70	74.20	74.60	+0.40	13,449
May 98	75.35	75.10	75.33	+0.38	5,896
Jul 98	76.10	75.75	75.98	+0.44	5,684
Est. sales N.A. Fri's sales 14,500					
Fri's open int 1, off 87,225					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Oct 97	53.95	52.85	53.40	+0.18	48,606
Nov 97	55.00	54.05	54.50	+0.18	21,767
Dec 97	56.25	55.25	55.63	+0.16	21,565
Jan 98	57.00	56.10	56.33	+0.16	19,631
Feb 98	57.25	56.45	56.63	+0.16	10,814
Mar 98	56.75	56.05	56.13	+0.16	8,239
Apr 98	55.50	54.90	54.93	+0.16	3,422
Est. sales N.A. Fri's sales 43,166					
Fri's open int 148,904, off 1,842					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 97	19.88	19.38	19.65	+0.04	102,265
Nov 97	19.96	19.54	19.76	+0.02	48,469
Dec 97	20.05	19.65	19.85	+0.02	51,228
Jan 98	20.06	19.70	19.88	+0.02	29,923
Feb 98	20.04	19.72	19.88	+0.01	14,963
Mar 98	20.00	19.77	19.88	+0.01	10,048
Est. sales N.A. Fri's sales 50,192					
Fri's open int 402,890, off 1,307					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Oct 97	2.855	2.695	2.793	+0.079	57,450
Nov 97	2.940	2.820	2.902	+0.080	22,191
Dec 97	3.030	2.920	2.992	+0.072	21,643
Jan 98	3.030	2.925	2.990	+0.070	22,165
Feb 98	2.760	2.675	2.715	+0.045	15,178
Mar 98	2.520	2.455	2.490	+0.045	9,885
Est. sales N.A. Fri's sales 54,211					
Fri's open int 213,328, off 1,969					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Oct 97	63.10	60.35	62.79	+1.57	46,093
Nov 97	58.70	57.25	58.47	+0.62	14,459
Dec 97	57.70	56.60	57.42	+0.37	12,856
Jan 98	57.60	56.50	57.27	+0.37	11,919
Feb 98	57.57	56.80	57.57	+0.37	3,567
Mar 98			58.07	+0.37	5,027
Apr 98			60.77	+0.37	2,601
May 98			60.42	+0.37	955
Est. sales N.A. Fri's sales 40,456					
Fri's open int 103,071, off 2,458					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	164.75	161.75	164.75	+3.50	15,359
Oct 97	167.00	163.75	167.00	+3.25	20,786
Nov 97	169.75	165.75	169.00	+1.25	11,710
Dec 97	171.00	167.75	171.00	+1.50	15,525
Jan 98	170.75	170.00	172.25	+1.25	10,750
Feb 98	170.75	170.50	172.50	+1.00	6,663
Mar 98	169.75	169.50	171.00	+0.50	2,725
Est sales: 11,050. Prev. sales. 10,134					
Prev. open int.: 90,660 up 2,056					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	18.63	18.21	18.44	+0.01	69,922
Nov97	18.75	18.37	18.55	—0.03	30,442
Dec97	18.84	18.57	18.66	—0.04	19,917
Jan98	18.89	18.60	18.71	—0.02	16,452
Feb98	18.89	18.61	18.69	—0.02	6,570
Mar 98	18.63	18.63	18.63	—0.02	3,316
Est. sales 34,000 Prev. sales: 13,135					
Prev. open int., 157,636 off 1,233					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Sep 97	929.50	901.75	929.50	+26.40	173,091
Dec 97	939.50	914.50	939.00	+26.20	28,433
Mar 98	937.70	937.70	937.70	+15.00	2,343
Est. sales N.A. Fri's sales 68,690					
Fri's open int 204,593, off 866					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	5015.0	4894.0	4997.0	+97.0	68,823
Dec 97	5067.0	4970.0	5058.0	+98.0	9,262
Mar 98	N.T.	N.T.	5100.0	+98.0	1,810
Est. sales: 10,090. Prev sales: 11,107					
Prev open int.: 79,895 up 466					
CAC 40 (MATIF) FF200 per index point					
Sep 97	2923.0	2821.0	2922.0	+122.00	45,200
Oct 97	2926.5	2835.0	2928.5	+121.50	1,398
Dec 97	2932.0	2850.0	2952.5	+122.00	1,416
Mar 98	2893.0	2876.0	2977.0	+119.50	9,680
Est. sales. 25,540.					
Open int.: 67,780 up 794					

Commodity Indexes

	Close	Previous
Moody's	1,577.10	1,577.10
Reuters	1,920.70	1,912.60
D.J. Futures	151.34	150.93
CRB	243.81	247.99

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

WORLD STOCK MARKETS

Tuesday, Sept. 2

Amsterdam

Bangkok

Bombay

Brussels

Copenhagen

Airbus and Boeing Win Big Lessor Orders

Compiled by Our Staff From Dispatches

PARIS — The European consortium Airbus Industrie said Tuesday that it had won an order for 65 aircraft from International Lease Finance Corp., another indication of a buoyant civil aircraft market following a boom year in 1996.

At the same time, in Seattle, Boeing Co. announced that it had won an order for 61 jetliners from International Lease Finance Corp.

Neither company said how much the lessor would pay, but based on list prices the Airbus order would be worth about $4 billion and the Boeing order about $4.5 billion. Companies usually get significant discounts when they make large aircraft orders.

The Airbus order comprises 50 of its A319, A320 and A321 narrow-body jets and 15 of the A330 wide-body twin jets, Airbus said. Deliveries will begin in 2000 and be spread over five years, Airbus said, adding that the contract brings to 167 the total number of its planes ordered this year.

The Boeing order is for a mix of aircraft, including 31 737s, the smallest model Boeing makes.

In New York, Boeing Co.'s share prices rose.

Both Airbus and its U.S. rival expect to reap orders this year on a scale similar to 1996, when the two had 1,043 orders. The orders Tuesday also confirm a growing movement by airlines to use airplanes under lease rather than purchasing them outright.

"This is just a continuation of what we are seeing in the industry: buoyant growth, and lessors positioning themselves for that," said Eddie Pieniazek, director of consulting services at Air Claims in London, an aerospace consultant.

By leasing a plane, an airline can use it for five years or so and then return it or exchange it for another if the airline's needs change.

About 20 percent of the world's airplanes are now on operating leases.

"We think that figure will reach 30 percent," Mr. Pieniazek said, adding that such leases are useful to airlines for both financial and strategic reasons.

International Lease Finance Corp. said it now had firm orders for 266 Airbus aircraft. That makes the Los Angeles-based corporation Airbus's biggest customer.

Benefiting from a turnaround in the market for jetliners, Airbus in 1996 saw new orders triple to 326 planes worth $23.6 billion. Boeing's 1996 orders doubled to 717 planes.

The Airbus consortium partners include Aerospatiale of France and Daimler-Benz Aerospace AG, each with 37.9 percent; British Aerospace PLC, with 20 percent, and Casa, or Construcciones Aeronauticas of Spain, which owns 4.2 percent.

The consortium is fighting for a half share of the world market, which is dominated by Boeing. As part of its aim to match the U.S. company, Airbus is in the midst of discussions with its partners on changing its partnership status into a limited liability company.

Boeing now has 65-70 percent of the world market for commercial jetliners, with Airbus controlling the rest. Boeing recently acquired McDonnell Douglas, whose Douglas Aircraft division had 4-5 percent of the global airline business.

International Lease Finance Corp. is the leasing subsidiary of American International Group Inc., a U.S. insurance and financial services company.

(Bloomberg, Reuters)

Siemens In Talks To Sell Divisions

Compiled by Our Staff From Dispatches

MUNICH — Siemens AG said Tuesday that it would sell three units, which account for about 2.8 percent of total sales, and seek a partner for a fourth subsidiary as it revamps industrial operations.

Germany's largest electronics and engineering company said it was in "cooperation talks" that could lead to the sale of its X-ray equipment, communications test equipment, electric wiring and lighting subsidiaries.

Siemens also said it was seeking a partner for its electricity unit, which has annual sales of 400 million Deutsche marks ($220.4 million), though it has no plans to sell the unit.

The company also expects to use acquisitions to lift profitability, bolster its competitive position and spark annual sales growth of 5.5 percent over the next five years, according to Edward Krubasik, a management board member.

"By the year 2002, we want the majority of our business areas to assume a leading worldwide position," he said.

The shuffle is a step in Siemens' yearlong effort to rid itself of noncore units and strengthen its most important businesses, responding to investor criticism that it has been sluggish on that front.

Siemens shares closed up 3.95 DM at 117.10, a gain of 3.5 percent.

Siemens also said it would separate its three industrial operations units into four sections to focus on "key" areas where the company sees chances to expand market share.

Mr. Krubasik said the greatest growth areas are the United States and the Asia-Pacific region, which should help offset a weaker domestic environment.

(Bloomberg, Reuters)

Preussag to Buy German Shipper

Compiled by Our Staff From Dispatches

FRANKFURT — Preussag AG said Tuesday that it would buy Hapag-Lloyd AG from its seven largest shareholders for 2.78 billion Deutsche marks ($1.53 billion), shifting its focus from coal and metals to shipping and tourism.

The German steelmaker agreed to buy 99.2 percent of Hapag-Lloyd for 1,040 DM per share. VEBA AG, Lufthansa AG and Gevaert NV of Belgium agreed to sell their 18 percent stakes and Metro AG its 15 percent. Veritas Vermoegensverwaltungs mbH, Deutsche Bank AG and Dresdner Bank AG each agreed to part with 10 percent shares.

Preussag is moving into the fast-growing tourism business at the same time it is scaling back in coal and metals. German steelmakers face a stagnant domestic market, overcapacity in Europe and lower-cost competition from Asia.

"We will consider more acquisitions in tourism," said Michael Frenzel, chief executive. Preussag will pay for the acquisition from its 4 billion DM reserves, he said.

Christian Obst, an analyst at Bayerische Vereinsbank AG, said, "They can make more money in tourism than they can in coal mining, factory construction or metals."

Preussag shares finished up 1.50 DM, at 508. Hapag-Lloyd shares rose 120 DM, to 1,030.

The sale hinges on approval from German antitrust authorities and Preussag's policy-making supervisory board, which will meet to discuss the issue in midmonth.

Preussag had said in June that it wanted to buy Hapag-Lloyd to bolster its transportation business. Hapag-Lloyd owns a steamship line as well as travel bureaus, tugboats and a tourist charter airline.

(Bloomberg, Reuters)

Union Leader Predicts Sale of France Telecom

Compiled by Our Staff From Dispatches

PARIS — The French government will "in all probability" sell 20 percent or more of France Telecom, according to reports Tuesday that quoted a union leader involved in discussions about the state-owned company's future.

The Finance Ministry, however, responded that the government had not made any decision on whether to privatize the phone company. "All this is at the least premature," a ministry spokesman said of the union leader's remarks, reported in the daily Le Monde.

The report quoted the leadership of the Sud-PTT trade union as saying the government could list part of the stake on the Paris stock market and offer the rest to employees.

Pierre Khalfa, head of the union, which represents 26 percent of France Telecom's 150,000 workers, said he was confident that the government would opt for a partial sale of the company. He also predicted widespread union opposition to any sale. *(Bloomberg, AFP)*

French Stocks Up More Than 4%

Compiled by Our Staff From Dispatches

PARIS — French benchmark stocks posted their largest one-day gain in seven years as the dollar's climb bolstered profit prospects for multinationals. The dollar-earning oil producers Elf Aquitaine SA and Total SA led the climb.

The CAC 40 Index surged 115.31 points, or 4.1 percent, to 2,921.15 points, mirroring the Dow Jones industrial average's 174-point morning gain.

The dollar has risen steadily against the franc over the past few days, closing in Paris at 6.1304 francs, up from 6.1042 francs Monday. A rising U.S. currency boosts earnings of French companies when they convert dollar sales into their home currency.

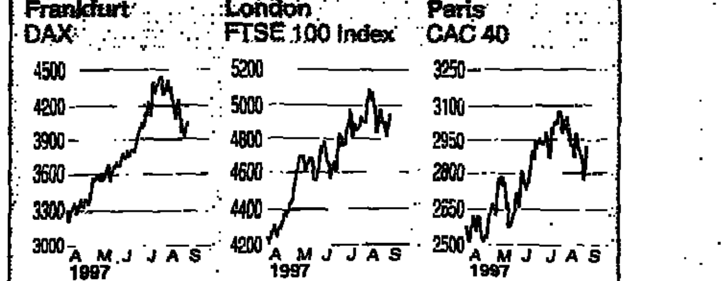
A weak spot in the CAC was the food retailer Promodes, which fell 1.9 percent, to 2,255 francs, a day after offering 28 billion francs for its rivals, Casino SA and Rallye SA.

Casino rejected the bid Tuesday, and investors were worried that Promodes would raise its offer.

The founder of Casino, Antoine Guichard, said Promodes was "badly advised" about the profitability of Casino. Mr. Guichard stressed that Promodes was unaware of the "very good" earnings results that Casino would release Wednesday.

Shares of Casino and Rallye were suspended. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	925.21	881.92	+4.91
Brussels	BEL-20	2,435.48	2,354.33	+3.45
Frankfurt	DAX	4,047.37	3,989.96	+1.44
Copenhagen	Stock Market	613.54	608.50	+0.83
Helsinki	HEX General	3,375.30	3,337.16	+1.14
Oslo	OBX	700.25	692.92	+1.06
London	FTSE 100	4,952.20	4,870.20	+1.68
Madrid	Stock Exchange	588.12	579.62	+1.47
Milan	MIBTEL	14631	14339	+2.04
Paris	CAC 40	2,921.15	2,805.84	+4.11
Stockholm	SX 16	3,400.93	3,325.17	+2.25
Vienna	ATX	1,379.54	1,365.02	+1.06
Zurich	SPI	3,507.15	3,404.57	+3.01

Source: Telekurs — International Herald Tribune

Very briefly:

- **Kellogg Co.** plans to start negotiations on plant closings with workers representatives at three sites that employ a total of 400 employees. Production at the factories in Riga, Latvia; Svendborg, Denmark, and Verola, Italy, is expected to be moved to Germany, England and Spain.
- **H.J. Heinz Co.** has bought a 51 percent stake in **Pudliszki SA**, Poland's biggest ketchup maker, to increase the U.S. food company's presence in Central and Eastern Europe, where it expects sales to reach $400 million by 2003. Pudliszki, which also markets tomato concentrate, canned vegetables and cooking sauces, employs about 700 people and has annual sales of more than $25 million.
- **DBS Management PLC** shares fell sharply, for a 13 percent decline so far this week, after it was fined a record £425,000 ($685,400) for failing to adequately review cases where pensions may have been improperly sold.
- **Total SA** said it had taken a 20 percent stake in Azerbaijan's Caspian Absheron offshore oil prospect. The French company, which already has stakes in other Azerbaijani sites, said it was "strengthening its position in a region that is of strategic importance."
- **Koninklijke PTT Nederland NV** said its **PTT Telecom** would cut international phone rates by an average of 25 percent Oct. 3, with some rates dropping 50 percent.
- **Novartis AG** is creating a joint venture with **International Business Machines Corp.** to manage the information technology infrastructure of Novartis's Basel-based business units. Novartis will initially own 30 percent of **IT pro** and transfer ownership to IBM by the end of the seven-year contract.
- **Frontline** has pledged to continue the shipping company's takeover bid of its Swedish rival, **ICB Shipping AB**, saying that it held 10 percent of ICB stock, making it the top shareholder.

AFX, Bloomberg, Reuters

WORLD STOCK MARKETS

Tuesday, Sept. 2
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 925.21, Previous: 881.92

	High	Low	Close	Prev.
ABN-AMRO	43.50	40.80	43.30	40.20
Aegon	158.60	153.50	158.60	152.20
Ahold	57.50	54.20	56.80	52.60
Akzo Nobel	332.50	319.50	330.10	316
Baan Co.	135.80	130	132.40	128.20
Bols Wess cva	34.90	33.90	34.80	34
CSM cva	96.30	94.40	96.40	94.50
Dordtsche Pet	111.50	107.60	111.50	105.90
DSM	200	194.50	200	193.50
Elsevier	33.20	31.50	33.20	31.40
Fortis Amev	89.70	84.20	89.50	84.10
Getronics	64.50	62.50	64.30	62
G-Broc cva	58.50	56.50	57.50	58.30
Hagemeyer	108.10	104	106	104.40
Heineken	330	326.50	328	324.20
Hoogovens cva	125.30	121	124.60	119.90
Hunt Douglas	87	84.50	87	83.50
ING Group	96.40	91.10	95.20	90.10
KLM	70.50	68.30	70	67
KNP BT	45.90	45.10	45.50	44.90
KPN	73.90	71.40	73.10	72.50
Nedlloyd Gp	63.90	62	63.80	62
Nutricia	318	308.50	314	314
Oce Grinten	248	236.50	248	237.40
Philips Elec	156	149.80	154.60	148.80
Polygram	113.40	106.10	112	105.90
Randstad Hdg	83	80.50	81.10	80
Robeco	191.50	188.20	190	188.30
Rodamco	61.50	60.50	61.30	61
Rolinco	192.50	190	192.50	190
Rorento	117.40	117.40	117.40	116.70
Royal Dutch	112	106.40	111	105.40
Unilever cva	444.40	419	443	418.30
Vendex Intl	103.90	101	103.50	100.40
VNU	46.40	43	45.70	43.20
Wolters Kl cva	250.40	240.20	250	240.20

Bangkok — SET index: 515.37, Previous: 493.84

	High	Low	Close	Prev.
Adv Info Svc	175	164	172	163
Bangkok Bk F	179	163	178	164
Krung Thai Bk	24	22	24	22
PTT Explor	332	318	332	322
Siam Cement F	514	506	512	504
Siam Com Bk F	93	81.50	93	81
Telecomasia	31.75	29	31.50	29
Thai Airways	42.75	40	42.25	40
Thai Farm Bk F	107	95	106	95
Utd Comm	118	109	118	110

Bombay — Sensex 30 index: 3950.03, Previous: 3943.67

	High	Low	Close	Prev.
Bajaj Auto	817	784	800	814.50
Hindust Lever	1390	1354.50	1389	1370
Hindust Petm	510	470	487.50	486.75
Ind Dev Bk	107.25	100.50	106.50	101
ITC	526.75	508	524.50	518
Mahanagar Tel	250	242	250	243.25
Reliance Ind	343.75	333.50	343	344
State Bk India	296	283.50	295	290.50
Steel Authority	20	18.25	19	20.25
Tata Eng Loco	345.75	336	344	345

Brussels — BEL-20 index: 2435.48, Previous: 2354.33

	High	Low	Close	Prev.
Almanij	1685	1620	1645	1615
Barco Ind	7580	7360	7580	7430
BBL	9510	9260	9500	8860
CBR	3220	3115	3220	3075
Colruyt	18300	17950	18150	17850
Delhaize Lion	1815	1730	1790	1725
Electrabel	7620	7480	7610	7440
Electrafina	3550	3450	3525	3440
Fortis AG	7550	7400	7550	7300
Gevaert	3420	3350	3420	3300
GBL	5790	5580	5690	5570
Gen Banque	14350	14050	14300	13925
Kredietbank	14700	14225	14550	14075
Petrofina	14025	13800	13975	13625
Powerfin	4950	4915	4940	4875
Royale Belge	10600	10350	10600	10175
Soc Gen Belg	3520	3385	3500	3345
Solvay	2205	2150	2205	2110
Tractebel	14875	14775	14825	14750
UCB	129200	125000	129000	121750

Copenhagen — Stock index: 613.54, Previous: 608.50

	High	Low	Close	Prev.
BG Bank	376	370	373	369
Carlsberg B	349	342	342	346.65
Codan Fors	930.93	920	930	930
Danisco	379	368	369	372.40
Den Danske Bk	658	645	650	638
D/S Svendborg B	423000	422577	422577	416000
D/S 1912 B	295500	295000	295000	290000
FLS Ind B	216.08	206	208	210
Kob Lufthavne	745	734	745	735
Nvo Nordisk B	705	699.30	701.29	702.10
Sophus Ber B	977	968.78	972	965
Tele Danmk B	367	343	366	362
Tryg Baltica	405	398	398	400
Unidanmark A	407	398	405	400

Frankfurt — DAX: 4047.37, Previous: 3989.96

	High	Low	Close	Prev.
AMB B	1600	1600	1600	1600
Adidas	221.50	218.50	220	220
Allianz Hdg	414	411.30	413.50	405.50
Altana	132	129	129	129
Bk Berlin	44.80	44.40	44.60	44.90
BASF	63.95	62.30	63.50	63.30
Bayer Hypo Bk	68.45	68.05	68.25	67.20
Bay.Vereinsbank	96	95.70	95.75	95
Bayer	69.23	68.60	68.65	67.15
Beiersdorf	75.90	73.50	75.90	73
Bewag	39.50	39	39	38
BMW	1319	1305	1313	1290
CKAG Colonia	161	159	159	162
Commerzbank	66.30	65.15	65.15	66
Daimler Benz	138.95	137	138.95	136.70
Degussa	91.80	88.20	88.90	90
Deutsche Bank	109.50	109.20	109.40	108.40
Deut Telekom	36.45	35.60	35.70	36.35
Dresdner Bank	74.90	74.20	74.20	73.90
Fresenius	321	317	321	323
Fresenius Med	130.50	129.50	130	127
Fried. Krupp	395	382	383	389.50
Gehe	114.60	113.60	114.60	113.50
Heidelbg Zmt	142	139.50	142	138.50
Henkel pfd	101	97.90	100.30	94.70
HEW	476.15	476.15	476.15	445
Hochtief	84	83.10	83.60	85.50
Hoechst	73.85	73.45	73.75	72.20
Karstadt	639	637	638.50	633
Lahmeyer	91.50	88.10	88.10	90.50
Linde	1260	1230	1260	1222
Lufthansa	35.95	35.75	35.90	35.20
MAN	496	487	492.80	505
Mannesmann	873	854	867.50	843
Metallgesellschaft	42.90	41.20	41.35	41.30
Metro	85.90	84.20	85.20	83.35
Munch Rueck R	598.50	586	597.80	578
Preussag	514	508	508	506.50
RWE	84	83	83.35	83.20
SAP pfd	415	413.50	415	408
Schering	182.30	181.20	181.50	177.80
SGL Carbon	242	236	242	233
Siemens	117.70	116.55	117.10	113.15
Springer (Axel)	1560	1540	1560	1580
Suedzucker	870	865	865	860
Thyssen	436	433	434.80	430.50
Veba	101.70	99.95	100.20	99
VEW	572	572	580	575
Viag	775	765	765	765
Volkswagen	1343	1330	1342	1325.50

Helsinki — HEX General index: 3375.30, Previous: 3337.16

	High	Low	Close	Prev.
Enso A	48.50	48	48.50	47
Huhtamaki I	218.50	214	218.50	214
Kemira	48	46.50	47.50	48
Kesko	70.30	69.60	70	69.50
Merita A	21.40	21	21.30	20.90
Metra B	157	155	155.50	153
Metso-Serla B	47.40	46.40	46.40	46.50
Neste	140	138	138	136.10
Nokia A	434.90	430	434.50	428
Orion-Yhtymae	179	176	178	175
Outokumpu A	88.90	87.50	88.50	87
UPM-Kymmene	130.50	127.50	128	128
Valmet	80.70	79	80	78.60

Hong Kong — Hang Seng: 13735.33, Previous: 13425.45

	High	Low	Close	Prev.
Amoy Props	7.90	7.10	7.50	7.50
Bk East Asia	27.10	23.80	25.80	26.50
Cathay Pacific	12.50	10.70	12.15	12.10
Cheung Kong	81.75	75.75	80.75	78.50
CK Infrastruct	22.80	20.50	21	22.25
China Light	35.80	33.50	35.20	34.70
Citic Pacific	41.80	38.60	40.80	40.20
Dao Heng Bk	35	31	32.20	34.50
First Pacific	7.50	6.80	7.15	7
Hang Lung Dev	13.95	12.80	13.70	13.60
Hang Seng Bk	91	82	90.50	85
Henderson Inv	8.45	7.70	8.35	8.10
Henderson Ld	64.25	58.50	63.75	61
HK China Gas	14.65	13.25	13.85	14
HK Electric	27.80	26.50	27.80	26.95
HK Telecomm	16	14.30	15.55	15.30
Hopewell Hdgs	4.65	3.90	4.38	4.45
HSBC Hdgs	231	216	230	222
Hutchison Wh	65.75	59.25	64.75	61
Hysan Dev	23	21.40	23	21.85
Johnson El Hdg	18.20	17.50	18.20	17.90
Kerry Props	18.90	18.40	18.50	18.60
New World Dev	46.30	42.50	45.60	45.20
Oriental Press	2.68	2.30	2.50	2.58
Pearl Oriental	1.35	1.05	1.17	1.29
SHK Props	86	79	84.75	83.25
Shun Tak Hdgs	4.60	3.90	4.23	4.35
Sino Land Co.	7.20	6.65	7.10	7.05
Sth China Post	6.15	5.85	5.95	5.90
Swire Pac A	59.50	55.50	59	57.25
Wharf Hdgs	27.20	25.25	26.30	26.80
Wheelock	15.60	14.30	14.90	15.30

Jakarta — Composite index: 479.01, Previous: 485.97

	High	Low	Close	Prev.
Astra Intl	3300	3300	3300	3250
Bk Intl Indon	875	800	825	850
Bk Negara	925	875	875	950
Gudang Garm	8075	7250	7500	8000
Indocement	2950	2700	2950	2825
Indofood	3600	3550	3575	3600
Indosat	6325	6225	6325	6200
Sampoerna HM	6100	5900	5925	6000
Semen Gresik	2950	2900	2900	2925
Telekomunikasi	2800	2675	2750	2700

Johannesburg — All Market: 7273.27, Previous: 7255.49

	High	Low	Close	Prev.
Amalgamtd Bks	29.90	29.40	29.65	29.65
AngloAm Coal	271.75	269.50	269.50	272
AngloAm Corp	243.75	241.50	243.75	241.50
AngloAm Gold	251	248	248	250
AngloAm Ind	197.50	196.50	197.50	197.50
AVMIN	11.90	11.85	11.90	11.90
Barlow	55.75	55.25	55.75	55.25
C.G. Smith	24.10	23.90	23.90	24
De Beers	150.75	149.50	149.75	149.50
Driefontein	34.50	34	34	34.50
Fst Natl Bk	35	34.25	34.85	35
Gencor	11.75	11.50	11.65	11.75
GFSA	97	96.25	96.75	96
Imperial Hdgs	63.50	62.50	63.50	62.50
Ingwe Coal	24.05	23.75	24	24
Iscor	3.03	2.90	3.03	2.90
Johnnies Indl	62.25	62	62	62.25
Liberty Hdgs	380	379	380	379
Liberty Life	143.50	142.50	142.75	142.75
LibLife Strat	17.40	17	17.30	17.30
Minorco	98	97.50	98	98.75
Nampak	19.35	19.20	19.20	19.25
Nedcor	92.50	91	92.15	91
Rembrandt Gp	44.45	43	43.25	44.25
Richemont	62.50	62	62.25	62.25
Rust Platinum	79.75	79.50	79.50	79.75
SA Breweries	142	139.75	140.50	141.50
Samancor	35.75	35.50	35.75	35
Sasol	63.75	63	63.75	63
SBIC	205	204.50	205	205
Tiger Oats	69.75	69	69.75	69

Kuala Lumpur — Composite: 795.73, Previous: 804.40

	High	Low	Close	Prev.
AMMB Hdgs	10.80	10	10.10	10.40
Genting	10.90	10	10.30	10
Mal Banking	20	18.80	19	19.40
Mal Intl Ship F	6.05	4.98	5.20	6
Petronas Gas	8.60	7.85	8.10	8.05
Proton	8.80	8.15	8.30	8.50
Public Bk	3	2.74	2.79	2.74
Renong	3.24	2.99	3.20	3
Resorts World	6.35	5.80	6	5.60
Rothmans PM	24	23.50	23.70	23.50
Sime Darby	7.20	6.45	6.80	6.90
Telekom Mal	9.10	8.40	8.90	8.90
Tenaga	8.90	8.15	8.20	8.70
Utd Engineers	12.30	11.30	11.70	11.90
YTL	5.20	4.66	4.78	4.66

London — FT-SE 100: 4952.20, Previous: 4870.20

	High	Low	Close	Prev.
Abbey Natl	8.45	8.28	8.43	8.33
Allied Domecq	4.77	4.68	4.72	4.73
Anglian Water	8.08	7.90	8.03	7.81
Argos	6.25	6.18	6.22	6.19
Asda Group	1.47	1.45	1.46	1.46
Assoc Br Foods	5.30	5.19	5.27	5.27
BAA	5.59	5.48	5.58	5.55
Barclays	14.50	14.20	14.43	14.12
Bass	8.55	8.40	8.49	8.34
BAT Ind	5.30	5.15	5.29	5.19
Bank Scotland	4.37	4.24	4.30	4.22
Blue Circle	4.03	3.85	3.97	3.87
BOC Group	10.85	10.61	10.83	10.66
Boots	8.03	7.88	7.92	8
BPB Ind	3.50	3.46	3.50	3.40
Brit Aerosp	15.14	14.61	14.79	14.60
Brit Airways	6.56	6.38	6.50	6.51
BG	2.68	2.63	2.68	2.65
Brit Land	5.95	5.83	5.89	5.93
Brit Petm	9	8.77	8.99	8.78
BSkyB	4.55	4.44	4.46	4.50
Brit Steel	1.76	1.72	1.74	1.74
Brit Telecom	4.52	3.98	4.02	4.04
BTR	2.28	2.18	2.25	2.24
Burmah Castrol	10.75	10.52	10.72	10.48
Burton Gp	1.24	1.21	1.21	1.24
Cable Wireless	5.55	5.38	5.50	5.40
Cadbury Schw	5.88	5.74	5.87	5.75
Carlton Comm	5.04	4.97	5	5
Comml Union	7.60	7.46	7.58	7.48
Compass Gp	6.04	5.97	6.01	6.03
Courtaulds	3.15	3.10	3.13	3.13
Dixons	6.67	6.57	6.63	6.72
Electrocomponents	4.65	4.60	4.64	4.60
EMI Group	5.63	5.55	5.59	5.58
Energy Group	6.35	6.26	6.31	6.28
Enterprise Oil	6.98	6.86	6.98	6.99
Fam Colonial	1.72	1.70	1.72	1.70
Genl Accident	9.70	9.25	9.69	9.25
GEC	4.04	3.93	4.01	3.94
GKN	12.38	12.03	12.37	12.03
Glaxo Wellcome	12.88	12.53	12.86	12.56
Granada Gp	8.15	8.08	8.14	8.12
Grand Met	5.76	5.63	5.68	5.69
GRE	2.85	2.77	2.81	2.76
Greenalls Gp	4.74	4.69	4.69	4.71
Guinness	5.55	5.45	5.54	5.50
GUS	6.65	6.22	6.26	6.28
Hays	6.32	6.23	6.32	6.21
HSBC Hldgs	19.92	18.17	19.23	18.30
ICI	10.25	10.03	10.25	10.01
Impl Tobacco	3.91	3.87	3.89	3.88
Kingfisher	7.52	7.37	7.48	7.39
Ladbroke	2.65	2.60	2.62	2.62
Land Sec	9.15	8.95	8.98	8.98
Lasmo	2.70	2.60	2.62	2.67
Legal Genl Grp	4.70	4.40	4.48	4.57
Lloyds TSB Gp	7.58	7.36	7.56	7.39
LucasVarity	1.98	1.94	1.97	1.98
Marks Spencer	6.04	5.91	6.01	6
MEPC	4.71	4.66	4.69	4.68
Mercury Asset	13.52	13.30	13.37	13.31
National Grid	2.74	2.68	2.70	2.71
Natl Power	5.79	5.68	5.71	5.73
NatWest	8.12	7.94	8.03	7.93
Next	7.68	7.53	7.63	7.50
Norwich Union	3.53	3.43	3.51	3.45
Orange	2.22	2.13	2.20	2.13
P&O	6.62	6.50	6.53	6.55
Pearson	7.45	7.37	7.37	7.41
Pilkington	1.47	1.41	1.42	1.44
PowerGen	7.80	7.66	7.70	7.75
Premier Farnell	5.30	5.23	5.27	5.26
Prudential	6.36	6.18	6.34	6.19
Railtrack Gp	7.82	7.74	7.75	7.79
Rank Group	3.57	3.50	3.54	3.54
Reckitt Colm	9.61	9.45	9.56	9.55
Redland	2.96	2.87	2.90	2.88
Reed Intl	5.79	5.57	5.78	5.56
Rentokil Initial	2.24	2.18	2.23	2.20
Reuters Hdgs	6.35	6.20	6.33	6.25
Rexam	3.05	3	3.03	2.98
RTZ reg	9.74	9.61	9.68	9.70
RMC Group	10.39	10.02	10.29	10.03
Rolls Royce	2.40	2.32	2.35	2.35
Royal Bk Scot	6.05	5.90	6	5.87
Royal & Sun All	5.38	5.08	5.22	5.08
Safeway	3.83	3.50	3.79	3.77
Sainsbury	4.36	4.28	4.34	4.33
Schroders	18.73	18.60	18.73	18.75
Scot Newcastle	7.41	7.32	7.39	7.26
Scot Power	4.52	4.43	4.48	4.49
Securicor	2.66	2.63	2.65	2.63
Severn Trent	8.83	8.75	8.80	8.78
Shell Transp R	4.45	4.26	4.44	4.27
Siebe	11.15	10.90	11.13	10.92
Smith Nephew	1.75	1.74	1.74	1.74
SmithKline	5.73	5.53	5.64	5.59
Smiths Ind	8.38	8.30	8.33	8.24
Sthern Elec	4.65	4.56	4.59	4.61
Stagecoach	6.87	6.73	6.77	6.82
Stand Charter	8.67	8.34	8.63	8.32
Tate & Lyle	4.11	4.05	4.07	4.10
Tesco	4.21	4.15	4.21	4.18
Thames Water	8.05	7.95	8.01	7.95
3i Group	4.82	4.76	4.78	4.81
TI Group	6.06	5.87	5.92	5.90
Tomkins	3.02	2.92	3	2.94
Unilever	17.95	17.15	17.95	17.09
Utd Assurance	4.40	4.28	4.28	4.29
Utd News	7.34	7.03	7.34	7.01
Utd Utilities	6.92	6.78	6.83	6.89
Vendome Lx uts	4.59	4.53	4.58	4.56
Vodafone	3.20	3.11	3.18	3.13
Whitbread	8.25	8.16	8.23	8.13
Williams Hdgs	3.60	3.56	3.59	3.56
Wolseley	4.72	4.50	4.71	4.50
WPP Group	2.86	2.82	2.85	2.82
Zeneca	19.68	19.15	19.55	19.46

Madrid — Bolsa index: 588.12, Previous: 579.62

	High	Low	Close	Prev.
Acerinox	25500	25090	25400	25000
ACESA	1860	1805	1855	1810
Aguas Barcelon	5540	5500	5530	5520
Argentaria	7830	7780	7810	7760
BBV	4100	4040	4100	4030
Banesto	1450	1435	1450	1435
Bankinter	8100	7750	8020	7750
Bco Centro Hisp	5850	5670	5850	5660
Bco Popular	34600	34400	34500	34210
Bco Santander	4315	4265	4305	4280
CEPSA	4600	4550	4600	4545
Continente	3150	3100	3135	3105
Corp Mapfre	8460	8340	8460	8390
Endesa	3175	3140	3175	3125
FECSA	1225	1205	1215	1215
Gas Natural	6900	6740	6830	6700
Iberdrola	1755	1725	1745	1735
Pryca	2940	2855	2920	2860
Repsol	6190	6080	6180	6090
Sevillana Elec	1375	1360	1365	1365
Tabacalera	8100	8000	8040	8020
Telefonica	4120	4050	4115	4035
Union Fenosa	1215	1200	1215	1200
Valenc Cement	2835	2780	2815	2800

Manila — PSE index: 1958.41, Previous: 1975.28

	High	Low	Close	Prev.
Ayala B	14	13	13.50	14.25
Ayala Land	15.75	14	15.50	14.75
Bk Philip Isl	97.50	88	90	93
C&P Homes	4.25	2.60	4	4.30
Manila Elec A	67.50	65	65.50	70
Metro Bank	347.50	320	342.50	337.50
Petron	4.25	3.95	4	4.20
PCIBank	155	148	148	149
Phil Long Dist	800	740	790	770
San Miguel B	51.50	47.50	50.50	49.50
SM Prime Hdg	6.10	5.40	5.70	5.90

Mexico — Bolsa index: 4769.64, Previous: 4648.41

	High	Low	Close	Prev.
Alfa A	62.60	60.50	61.90	60.70
Banacci B	22.60	21.50	22.00	20.85
Cemex CPO	39.80	38.70	39.15	38.00
Cifra C	14.28	13.98	14.06	13.80
Emp Moderna	42.20	41.60	41.60	41.30
Gpo Carso A1	56.40	55.20	56.20	54.20
Gpo F Bcomer	3.58	3.50	3.54	3.35
Gpo Fin Inbursa	33.10	32.40	33.00	32.05
Kimb Clark Mex	35.85	35.00	35.50	34.80
Televisa CPO	132.00	130.20	131.00	128.10
TelMex L	18.52	18.14	18.48	17.82

Milan — MIB Telematico: 14631.00, Previous: 14339.00

	High	Low	Close	Prev.
Alleanza Assic	15000	14750	14870	14730
Bca Comm Ital	4680	4550	4680	4525
Bca Fideuram	6100	5960	6100	6050
Bca di Roma	1610	1565	1610	1588
Benetton	27450	25850	27450	26000
Credito Italiano	3645	3580	3605	3625
Edison	8300	8200	8295	8260
ENI	10080	9910	10065	10000
Fiat	5765	5480	5765	5430
Generali Assic	38100	37050	38100	37450
IMI	17170	16675	16930	16710
INA	2620	2565	2620	2580
Italgas	5515	5390	5515	5410
Mediaset	8000	7750	8000	7730
Mediobanca	12000	11765	11970	11790
Montedison	1105	1081	1105	1078
Olivetti	760	732	759	724
Parmalat	2800	2745	2760	2770
Pirelli	4750	4600	4725	4520
RAS	15080	14950	15080	14950
Rolo Banca	22550	21800	22000	21850
S Paolo Torino	13300	12660	13200	12845
Telecom Italia	11200	10800	11200	10705
TIM	6125	5945	6125	5940

Montreal — Industrials index: 3540.23, Previous: 3522.64

	High	Low	Close	Prev.
Bce Mob Com	50.40	50.40	50.40	50.40
Cdn Tire A	26¼	26¼	26¼	26.05
Cdn Util A	37.15	37.15	37.15	37
CT Finl Svc	43.60	43.60	43.60	43.60
Gaz Metro	18¾	18.05	18.15	18.20
Gt-West Lifeco	33¼	33	33.10	33
Imasco	39.90	39½	39.90	39.55
Investors Grp	33½	33.20	33½	33.20
Loblaw Cos	20.20	19.90	20	20
Natl Bk Canada	17.85	17.80	17.80	17.85
Power Corp	38½	38.15	38.45	38.05
Power Finl	37¾	37½	37.55	36.80
Quebecor B	25.90	25.80	25.90	25.90
Rogers Comm B	9.80	9.80	9.80	9.45
Royal Bk Cda	65.35	64.95	65.30	65.15

Oslo — OBX index: 700.25, Previous: 692.92

	High	Low	Close	Prev.
Aker A	134	133.50	134	132.50
Bergesen Dy A	203.50	200	201	201
Christiania Bk	25.80	25.50	25.70	25.50
Den norske Bk	31.10	30.80	31	30.90
Elkem	138	133	137	136
Hafslund A	45	44	45	44
Kvaerner Asa	396	391	393	397
Norsk Hydro	417	410	415	411
Norske Skog A	280	276.50	280	276
Nycomed A	155	151	155	149
Orkla Asa A	540	527	540	529
Petm GeoSvc	487.50	473	473	471
Saga Petm A	168	164	167	164.50
Schibsted	128	125.50	127	128
Transocean Off	710	700	710	710
Storebrand Asa	49	48.20	48.70	49.20

Paris — CAC-40: 2921.15, Previous: 2885.84

	High	Low	Close	Prev.
Accor	973	930	973	925
AGF	227.40	217	225.80	217.80
Air Liquide	960	912	957	923
Alcatel Alsth	777	747	775	747
Axa-UAP	394.80	386.40	393.60	388.10
Bancaire	686	670	684	669
BIC	458	441.50	457.70	444.90
BNP	277	264.50	277	263
Canal Plus	1008	959	1007	965
Carrefour	3955	3821	3949	3777
Casino	N.T.	N.T.	N.T.	302
CCF	322.90	308.20	322.90	314
Cetelem	638	621	627	618
Christian Dior	861	845	861	844
CLF-Dexia Fran	547	528	545	525
Credit Agricole	1294	1282.10	1282.10	1283
Danone	920	900	920	907
Elf-Aquitaine	735	687	735	685
Eridania BS	817	801	817	802
Eurodisney	8.60	8.55	8.60	8.55
Eurotunnel	7	6.85	7	7
Gen. Eaux	710	685	709	681
Havas	397.80	390	397.80	382.40
Imetal	844	814	837	840
Lafarge	420.90	401.10	420.90	404
Legrand	1160	1106	1155	1078
L'Oreal	2353	2205	2346	2199
LVMH	1324	1275	1319	1269
Michelin B	351	342.50	351	338
Paribas A	433.80	420.50	430.10	420
Pernod Ricard	294.80	285.70	294.80	286.60
Peugeot Cit	704	682	703	685
Pinault-Print	2739	2576	2686	2592
Promodes	2319	2250	2255	2298
Renault	155.90	152.10	155.90	154.30
Rexel	1750	1705	1750	1700
Rh-Poulenc A	233.30	227.30	233.30	227.60
Sanofi	625	600	625	608
Schneider	338.40	316.50	336	318.10
SEB	905	893	900	894
SGS Thomson	588	575	587	565
Ste Generale	780	753	779	763
Sodexho	2788	2750	2755	2765
St Gobain	862	832	850	831
Suez (Cie)	N.T.	N.T.	N.T.	15.10
Suez Lyon Eaux	670	623	670	630
Synthelabo	759	740	746	750
Thomson CSF	165	161	164	161.90
Total B	632	595	632	589
Usinor	109.90	104	109.20	104
Valeo	381.90	365	381.90	370.50

São Paulo — Bovespa index: 10496.78, Previous: 10189.10

	High	Low	Close	Prev.
Bradesco Pfd	10.80	10.25	10.30	10.20
Brahma Pfd	750.00	720.01	740.01	723.01
Cemig Pfd	47.51	46.10	46.50	44.63
CESP Pfd	76.00	73.02	75.20	69.80
Copel	16.00	15.20	15.20	15.50
Eletrobras	472.00	456.00	471.00	440.00
Itaubanco Pfd	607.00	595.00	595.00	595.00
Light Servicios	434.00	420.00	430.01	400.00
Lightpar	385.00	366.00	366.00	389.97
Petrobras Pfd	269.99	260.00	267.00	253.00
Paulista Luz	182.00	180.00	182.00	179.00
Sid Nacional	37.50	36.00	37.50	36.00
Souza Cruz	10.50	9.90	10.50	9.80
Telebras Pfd	133.49	127.00	132.10	121.50
Telemig	168.00	159.00	159.00	163.00
Telerj	145.00	143.00	145.00	139.00
Telesp Pfd	330.00	320.00	322.00	310.00
Unibanco	38.00	37.50	37.70	36.50
Usiminas Pfd	10.75	10.40	10.63	10.12
CVRD Pfd	26.00	24.70	25.70	23.99

Seoul — Composite index: 688.78, Previous: 682.30

	High	Low	Close	Prev.
Dacom	89000	85000	89000	87000
Daewoo Heavy	7320	7050	7200	7320
Hyundai Eng.	18500	17900	18300	18000
Kia Motors	12600	12200	12500	12100
Korea El Pwr	22500	21800	22300	22500
Korea Exch Bk	5330	5000	5300	4950
LG Semicon	37000	35000	35000	37000
Pohang Iron St	58100	57000	58100	57900
Samsung Display	46000	44500	46000	45300
Samsung Elec	71000	68700	71000	70000
Shinhan Bank	8890	8500	8890	8600
SK Telecom	488000	478000	488000	488000

Singapore — Straits Times: 1796.34, Previous: 1786.44

	High	Low	Close	Prev.
Asia Pac Brew	5.10	5.05	5.10	5.10
Cerebos Pac	4.72	4.28	4.70	4.28
City Devlts	9	8.40	8.65	8.55
Cycle Carriage	9.20	9	9.20	8.95
Dairy Farm Int*	0.83	0.81	0.82	0.82
DBS foreign	15.30	14.60	15	14.80
DBS Land	3.66	3.48	3.54	3.62
Fraser & Neave	8.40	8.15	8.15	8.15
HK Land*	2.80	2.50	2.75	2.73
Jard Matheson*	7.60	6.55	7.50	6.60
Jard Strategic*	3.80	3.40	3.80	3.64
Keppel A	5.30	5.10	5.25	5
Keppel Bank	3.12	3	3.02	3.08
Keppel Fels	3.72	3.60	3.66	3.58
Keppel Land	3.86	3.48	3.58	3.90
OCBC foreign	10.70	9.80	10	10.40
OS Union Bk F	6.65	6.30	6.45	6.55
Parkway Hdgs	5.65	5.30	5.30	5.65
Sembawang	6.10	5.95	5.95	5.90
Sing Air foreign	11.10	10.60	10.80	10.70
Sing Land	6.45	6.15	6.30	6.25
Sing Press F	19.30	18.20	19.10	18.80
Sing Tech Ind	2.39	2.31	2.33	2.29
Sing Telecomm	2.17	2.12	2.14	2.23
Tat Lee Bank	2.84	2.76	2.77	2.80
Utd Industrial	1.01	0.99	1.01	1.01
Utd OSea Bk F	11.60	11.10	11.40	11.40
Wing Tai Hdgs	3.10	2.97	3	2.98

*: in U.S. dollars.

Stockholm — SX 16 index: 3400.93, Previous: 3325.17

	High	Low	Close	Prev.
AGA B	116.50	114	116	115
ABB A	119	114	119	116
AssiDoman	242	238	242	239
Astra A	134	129.50	134	130
Atlas Copco A	255	245	255	245.50
Autoliv	312	306	311.50	308
Electrolux B	560	547	553	556
Ericsson B	338.50	333.50	338.50	333
Hennes B	315	303	315	301
Incentive A	731	726	731	729
Investor B	401	393	400.50	391
MoDo B	279	270	279	268.50
Nordbanken	252	249	251.50	251
Pharm/Upjohn	280	269	279	272
Sandvik B	249	240	248	240
Scania B	223	215	223	217
SCA B	184	177.50	184	177
S-E Banken A	88	85.50	87.50	86
Skandia Fors	324	312	323	311.50
Skanska B	325	322	323.50	321
SKF B	217	213.50	216	216.50
Sparbanken A	177	170.50	177	172
Stora A	132.50	126.50	132	126.50
Sv Handles A	247	239.50	246	241
Volvo B	209	204.50	209	205

Sydney — All Ordinaries: 2587.90, Previous: 2590.80

	High	Low	Close	Prev.
Amcor	8.48	8.40	8.46	8.45
ANZ Bkng	9.90	9.65	9.66	9.75
BHP	17.09	16.84	16.86	17.04
Boral	4.01	3.85	3.90	4.01
Brambles Ind.	27.15	26.90	27.09	26.90
CBA	14.85	14.46	14.70	14.85
CC Amatil	14	13.51	13.70	13.56
Coles Myer	6.50	6.43	6.45	6.41
Comalco	6.98	6.90	6.96	6.94
CSR	4.95	4.88	4.91	4.88
Fosters Brew	2.62	2.57	2.58	2.62
Goodman Fld	1.97	1.94	1.95	1.95
ICI Australia	12.64	12.30	12.51	12.65
Lend Lease	29	28	28.01	29.05
MIM Hdgs	1.60	1.57	1.60	1.58
Nat Aust Bank	19.02	18.70	18.75	18.89
Nat Mutual Hdg	1.99	1.94	1.95	1.99
News Corp	6.32	6.17	6.30	6.17
Pacific Dunlop	3.58	3.47	3.57	3.48
Pioneer Intl	4.52	4.45	4.45	4.50
Pub Broadcast	8.05	8	8.01	7.95
Rio Tinto	20.31	19.88	19.90	20.12
St George Bank	8.05	7.95	7.95	8.04
WMC	7	6.92	6.92	6.94
Westpac Bkng	7.91	7.73	7.73	7.89
Woodside Pet	11.06	10.98	11.04	11.06
Woolworths	4.15	4.13	4.13	4.15

Taipei — Stock Market index: 9211.47, Previous: 9504.99

	High	Low	Close	Prev.
Cathay Life Ins	141	138	138.50	139
Chang Hwa Bk	109.50	102	103	108
Chiao Tung Bk	86.50	82	82	86
China Develpmt	128	120	121.50	126.50
China Steel	29	28.10	28.10	28.80
First Bank	111.50	105	105	110.50
Formosa Plastic	62.50	60.50	61	61.50
Hua Nan Bk	119.50	113	113	117.50
Intl Comm Bk	56.50	54.50	54.50	56
Nan Ya Plastics	73.50	71	72	73
Shin Kong Life	89	85.50	86	87
Taiwan Semi	153	145	148	151
Tatung	47.40	45.50	45.60	46.70
Utd Micro Elec	123	114	115	122.50
Utd World Chin	64	63	63.50	63

Tokyo — Nikkei 225: 18232.52, Previous: 17974.30

	High	Low	Close	Prev.
Ajinomoto	1140	1100	1140	1110
All Nippon Air	706	702	704	701
Amway	3370	3230	3290	3220
Asahi Bank	860	850	860	866
Asahi Chem	634	620	634	624
Asahi Glass	919	900	919	900
Bk Tokyo Mitsu	2140	2100	2130	2130
Bk Yokohama	514	503	514	514
Bridgestone	2750	2700	2750	2700
Canon	3460	3340	3430	3320
Chubu Elec	2030	2010	2020	2010
Chugoku Elec	1960	1950	1960	1960
Dai Nipp Print	2530	2460	2530	2450
Daiei	815	790	815	800
Dai-Ichi Kang	1390	1360	1390	1380
Daiwa Bank	607	580	595	607
Daiwa House	1390	1370	1380	1380
Daiwa Sec	777	756	777	756
DDI	6240a	6100a	6130a	6250a
Denso	2670	2570	2660	2580
East Japan Ry	5380a	5320a	5380a	5370a
Eisai	2250	2200	2230	2230
Fanuc	4790	4550	4780	4550
Fuji Bank	1440	1400	1440	1420
Fuji Photo	4610	4500	4600	4510
Fujitsu	1400	1370	1390	1350
Hachijuni Bk	1150	1130	1150	1150
Hitachi	1080	1050	1080	1030
Honda Motor	3690	3610	3670	3640
IBJ	1630	1590	1610	1670
IHI	366	356	365	368
Itochu	495	488	490	488
Ito-Yokado	6410	6320	6360	6430
JAL	500	475	500	488
Japan Tobacco	9370a	9260a	9360a	9470a
Jusco	3030	2940	3020	3080
Kajima	647	623	647	619
Kansai Elec	2240	2230	2240	2240
Kao	1700	1660	1690	1700
Kawasaki Hvy	463	456	463	471
Kawa Steel	289	283	286	291
Kinki Nipp Ry	689	680	688	683
Kirin Brewery	980	971	980	974
Kobe Steel	162	158	160	157
Komatsu	729	703	720	707
Kubota	487	471	487	474
Kyocera	7590	7370	7550	7450
Kyushu Elec	1980	1960	1980	1970
LTCB	573	558	565	563
Marubeni	436	429	434	433
Marui	1910	1880	1910	1900
Matsu Comm	4040	3890	4020	3900
Matsu Elec Ind	2190	2160	2190	2180
Matsu Elec Wk	1280	1240	1280	1260
Mitsubishi	1170	1130	1150	1180
Mitsubishi Ch	314	304	314	311
Mitsubishi El	525	513	523	508
Mitsubishi Est	1620	1570	1600	1630
Mitsubishi Hvy	778	770	774	781
Mitsubishi Mat	693	684	693	687
Mitsubishi Tr	1680	1640	1660	1680
Mitsui	1000	973	980	974
Mitsui Fudosn	1350	1300	1330	1330
Mitsui Trust	645	601	645	669
Murata Mfg	4800	4700	4800	4840
NEC	1360	1310	1350	1290
Nikon	2070	1970	2070	1950
Nikko Sec	573	565	570	566
Nintendo	10700	10200	10700	10000
Nipp Express	779	759	779	763
Nippon Oil	497	489	496	497
Nippon Steel	303	300	301	303
Nissan Motor	735	726	730	732
NKK	195	188	195	189
Nomura Sec	1550	1520	1540	1540
NTT	1090b	1070b	1090b	1090b
NTT Data	5210b	5130b	5210b	5210b
Oji Paper	607	600	605	604
Osaka Gas	277	270	273	277
Ricoh	1720	1640	1700	1630
Rohm	12600	12200	12600	12100
Sakura Bk	712	690	702	686
Sankyo	3890	3770	3880	3730
Sanwa Bank	1470	1440	1470	1470
Sanyo Elec	425	417	420	430
Secom	8400	8160	8230	8350
Seibu Rwy	5550	5480	5550	5500
Sekisui Chem	1000	985	1000	1000
Sekisui House	1160	1130	1140	1130
Seven-Eleven	8570	8470	8570	8580
Sharp	1130	1110	1130	1140
Shikoku El Pwr	1960	1940	1960	1950
Shimizu	633	624	633	625
Shin-etsu Ch	3060	3020	3050	3020
Shiseido	1930	1890	1930	1870
Shizuoka Bk	1260	1240	1250	1240
Softbank	6200	5510	6000	5280
Sony	10700	10400	10600	10300
Sumitomo	976	963	968	976
Sumitomo Bk	1730	1670	1690	1720
Sumit Chem	462	451	457	472
Sumitomo Elec	1790	1760	1770	1780
Sumit Metal	282	275	282	278
Sumit Trust	1180	1160	1180	1150
Taisho Pharm	2950	2910	2950	2910
Takeda Chem	3290	3200	3280	3180
TDK	9460	9170	9360	9150
Tohoku El Pwr	1990	1970	1990	1970
Tokai Bank	1040	1020	1030	1040
Tokio Marine	1400	1380	1400	1390
Tokyo El Pwr	2280	2260	2270	2280
Tokyo Electron	6400	6120	6360	6330
Tokyo Gas	289	286	287	289
Tokyu Corp.	629	617	628	621
Tonen	1140	1110	1140	1100
Toppan Print	1720	1700	1720	1710
Toray Ind	772	763	771	765
Toshiba	669	652	665	653
Tostem	2490	2470	2480	2480
Toyo Trust	980	961	980	960
Toyota Motor	3220	3110	3170	3080
Yamanouchi	2930	2880	2930	2870

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6452.12, Previous: 6411.79

	High	Low	Close	Prev.
Abitibi Cons.	24.45	24.10	24.35	24.30
Alberta Energy	31	30.65	30.90	30.90
Alcan Alum	49.40	48.60	49.35	48½
Anderson Expl	17¼	17¼	17¼	17.30
Bk Montreal	53¼	52¾	53.05	53
Bk Nova Scotia	60¼	60	60¼	59.95
Barrick Gold	31.40	31	31.30	31.40
BCE	40.05	39.40	39.80	39.35
BC Telecomm	33.40	33.10	33.35	33.40
Biochem Pharm	37¾	37¾	37¾	36
Bombardier B	27¼	26.95	27.05	26.95
Cameco	48	47½	47.70	48.15
CIBC	36.40	35¾	36.10	35.95
Cdn Natl Rail	68.65	68½	68½	68.65
Cdn Nat Res	36.30	35½	36.15	35¼
Cdn Occid Pet	35.15	34.30	34.60	34.30
Cdn Pacific	41	40.45	40.85	40½
Cominco	36½	36.05	36½	36
Dofasco	28.35	28	28.10	28.30
Domtar	11.80	11.60	11.80	11½
Donohue A	32	31.45	31¾	31.60
Du Pont Cda A	32¾	32¾	32¾	32.55
EdperBrascan	23.65	23.45	23.65	23.60
EuroNev Mng	21	20¾	20¾	21¼
Fairfax Finl	392	390	390	389
Falconbridge	25.90	25.40	25.55	25.70
Fletcher Chall A	23.60	23.40	23½	23
Franco Nevada	32.80	32	32.80	32.95
Gulf Cda Res	11.70	11.40	11.65	11.35
Imperial Oil	77	76.55	76.85	76½
Inco	37.95	37.65	37.90	37.55
IPL Energy	50¼	49.60	50.10	49.60
Laidlaw B	20.60	20.30	20.45	20.30
Loewen Group	43¾	43.40	43¾	44
Macmill Bld	17.80	17.35	17½	17.40
Magna Intl A	91.70	91.35	91½	92
Methanex	11.70	11½	11.60	11.65
Moore	28	27½	27.85	27.90
Newbridge Net	65¾	63.60	65¾	63⅛
Noranda Inc	27¼	26.90	27¼	27.15
Norcen Energy	34.05	33.45	34	33.45
Nthern Telecom	139¼	137.85	138.70	137¾
Nova	11.90	11¼	11.85	11¾
Onex	31.60	31¼	31½	31.55
Pancan Petlm	26	25.90	25.90	26.10
Petro Cda	24.45	23.70	24.40	24
Placer Dome	23.20	22.80	23	23.20
Poco Petlm	13.85	13.70	13¾	13.70
Potash Sask	103.30	102	103.15	102.85
Renaissance	36¼	35¾	36¼	35¾
Rio Algom	32¼	32	32	32¼
Rogers Cantel B	27.60	27½	27.60	27¾
Seagram Co	49	48.80	48.95	48½
Shell Cda A	22.40	22.20	22.35	22.40
Suncor	44.90	43.65	44.70	43.55
Talisman Eny	46¼	45.30	46¼	45.45
Teck B	26.40	25.95	26	26
Teleglobe	45	44.60	44¾	45
Telus	27.80	27½	27.80	27.60
Thomson	31.70	31.40	31.60	31.65
TorDom Bank	42.45	42.10	42.40	42
Transalta	17.60	17.35	17½	17.30
TransCda Pipe	26.60	26	26.60	26
Trimark Finl	65¾	64	65¾	65.05
Trizec Hahn	31.70	31.40	31½	31½
TVX Gold	7.30	7.10	7.15	7.30
Westcoast Eny	26.90	26.55	26.90	26.55
Weston	96½	94	96½	93.85

Vienna — ATX index: 1379.54, Previous: 1365.02

	High	Low	Close	Prev.
Boehler-Uddeh	1018	1002.50	1013	1003
Creditanst Pfd	645	631	643	634.75
EA-Generali	3151	3070	3110	3042
EVN	1560	1525	1536	1531.70
Flughafen Wien	500	494	495	494
OMV	1764.90	1742.10	1760	1733.25
Oest Elektriz	871.50	864	868.90	865
VA Stahl	560	540.90	543.70	548.50
VA Tech	2459.90	2390	2457	2373
Wienerberg Bau	2550	2521	2532	2518

Wellington — NZSE-40 index: 2452.14, Previous: 2446.26

	High	Low	Close	Prev.
Air N Zeald B	4.32	4.20	4.32	4.15
Brierly Invt	1.34	1.32	1.32	1.32
Carter Holt ord	3.25	3.23	3.24	3.24
Fletch Ch Bldg	4.38	4.37	4.38	4.37
Fletch Ch Eny	5.65	5.55	5.65	5.56
Fletch Ch Forst	1.80	1.79	1.80	1.80
Fletch Ch Paper	3.11	3.04	3.10	3.04
Lion Nathan	3.95	3.92	3.92	3.92
Telecom NZ	7.77	7.70	7.74	7.72
Wilson Horton	11.85	11.80	11.80	11.80

Zurich — SPI index: 3507.15, Previous: 3404.57

	High	Low	Close	Prev.
ABB B	2250	2188	2248	2180
Adecco B	550	526	546	525
Alusuisse R	1334	1285	1332	1285
Ares-Serono B	2500	2395	2500	2350
Atel R	849	849	849	842
Baer Hdg B	2115	2100	2105	2100
Baloise Hdg R	4000	3830	4000	3900
BK Vision	1068	1040	1068	1032
Ciba Spec Chem	141.75	134.25	141.75	134
Clariant R	1120	1032	1120	1010
Crd Suisse Gp R	187	181.25	186.25	180
Elektrowatt B	538	535	538	535
Ems-Chemie	6835	6735	6835	6780
ESEC Hdg	4350	4350	4350	4350
Holderbank B	1280	1235	1272	1240
Liechtenst LB B	587	584	587	584
Nestle R	1823	1781	1822	1764
Novartis R	2198	2137	2196	2117
Oerlikon Buehr R	186	177.50	185	177.25
Pargesa Hld B	1800	1735	1775	1735
PharmVisn B	895	860	895	864
Richemont A	1980	1960	1977	1930
Pirelli PC	326	319	325	315
Roche Hdg PC	13135	12870	13130	12810
SBC R	366	360	366	360.50
Schindler PC	1900	1890	1900	1880
SGS B	2811	2710	2800	2690
SMH B	887	860	884	850
Sulzer R	1096	1064	1095	1051
Swiss Reins R	2055	2005	2055	1990
SAir Group R	1829	1784	1829	1781
UBS B	1519	1500	1517	1492
Winterthur R	1368	1310	1357	1299
Zurich Assur R	575	546	575	541

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	169.60	+3.47	+2.09	+13.72
Regional Indexes				
Asia/Pacific	116.29	+0.89	+0.77	-5.78
Europe	182.35	+2.76	+1.54	+13.12
N. America	204.49	+5.91	+2.98	+26.30
S. America	155.34	+6.85	+4.61	+35.75
Industrial Indexes				
Capital goods	221.17	+5.93	+2.76	+29.40
Consumer goods	187.32	+4.08	+2.23	+16.04
Energy	198.72	+6.02	+3.12	+16.41
Finance	125.10	+1.38	+1.12	+7.42
Miscellaneous	173.51	+3.31	+1.94	+7.25
Raw Materials	181.27	+2.39	+1.34	+3.36
Service	158.14	+3.43	+2.22	+15.16
Utilities	156.99	+2.42	+1.57	+9.43

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NASDAQ

Tuesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press

NYSE

Tuesday's 4 P.M. Close

(Continued)

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Technology and the Environment

WORLD ENVIRONMENT CENTER: SETTING A STANDARD

The WEC helps companies improve both business and the environment.

The chemical company Polchem was polluting the land around the Polish town of Torun with 50,000 tons of raw sulfuric acid and lime every year; over the decades of state-controlled Polish industrial development, this built up as a mountain of toxic waste. With the introduction of free-market policies, nothing was done to slow it down. Those in Polchem's management who cared could find no revenues to deal with the problem. Then a little-heralded not-for-profit group based in New York came to call. With a single volunteer and a modest investment by Polchem that was recouped in just three months, the World Environment Center worked with Polchem engineers to eliminate the waste and, in the process, to save more than $1 million a year in raw materials and energy. Polchem symbolizes the predicament of industries throughout Eastern Europe in the post-Soviet era and, indeed, throughout the wider developing world.

Since its founding in 1974, the World Environment Center has introduced "eco-efficiency" to businesses like Polchem in 45 countries. Eco-efficiency is a process that fattens the company's bottom line while keeping the environment clean. As WEC's President and Chief Executive Officer Antony G. Marcil says, "We quietly convince skeptics of the true cost of unsound environment, health and safety practices."

The WEC has increased environmental awareness among the world's managers, who had perceived few viable alternatives to their old polluting ways — and WEC has accomplished this with a worldwide staff of only 45 people, a modest $7 million budget this year and little fanfare in the media. A not-for-profit, non-advocacy environmental organization, WEC has field offices in Jakarta, Mexico City, Geneva, Bangkok and Washington, D.C. WEC works with three separate but complementary programs that have developed models for guiding industries to become good corporate citizens without feeling downtrodden.

vironmental problems. Called the International Environment and Development Service (IEDS), it has offered 400 industries in 45 countries the pro bono and reduced-fee technical expertise of more than 2,000 engineers, who work with materials donated by industry and governmental organizations.

"A big constituency talked about this approach for years, and is still talking about it," says Mr. Marcil. "But not that many people were out in the trenches doing it."

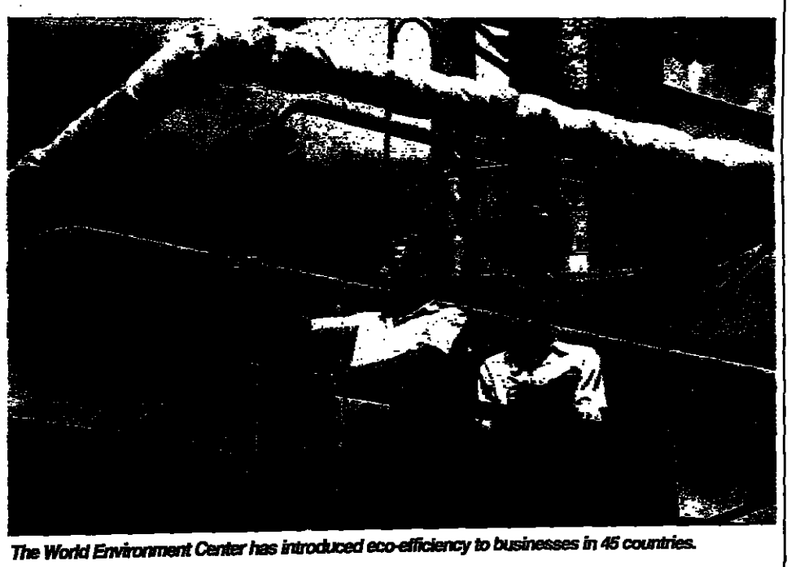
WEC can do much with so little, says Mr. Marcil, because the IEDS program operates with "in-kind contributions of services and materials from industry, government, non-government organizations and academia."

At the heart of its scheme lies the volunteerism of the IEDS participants and other corporations and agencies that support WEC by asking their employees to act as hosts of study tours, offering in-country volunteer experts and donating funds.

IEDS starts with the belief that corporate benefits can be gained from sound environmental and management programs.

WEC volunteers aim to change "end-of-pipe" treatment of industrial problems; they prefer instead to eliminate pollution by increasing plant efficiency. WEC's Waste Minimization Program begins by identifying the sources of pollution. Then local managers and workers talk to each other and learn to draw on each other's expertise with the help of WEC-sponsored Pollution Prevention Centers. In 1996, WEC saved companies $13 million on corporate investments of $3.5 million, while conserving nearly half a million tons of fresh water and 75,000 tons of fuel and at the same time eliminating from the environment 486,000 tons of pollutants.

In the end, IEDS seeks to eliminate pollution at the source and save on raw materials while improving efficiency. As a byproduct, IEDS reduces losses from worker health care costs caused by pollution. It also shows industries in transition to a market economy that pollution-prevention programs eliminate or reduce fees and fines as well as the cost of natural resources.



The World Environment Center has introduced eco-efficiency to businesses in 45 countries.

All too often, industry has found itself at loggerheads with the agencies that patrol the environment. The reasons for this are not hard to find. Especially in rapidly industrializing nations, environmental regulations slice into profits and interfere with traditional methods of business. Environmental restrictions are often enforced through laws that carry heavy fines and tarnish corporate and product images. In the end, the punitive methods serve to make the quest for a cleaner environment a "them against us" issue that has left a trail of resentment and a reluctance to come together for the commonweal.

WEC takes a diplomatic approach to these new conflicts. It points no fingers. While funded by the U.S. Agency for International Development, the Swiss and Royal Thai governments, and corporate and private contributions, WEC is beholden neither to governments nor to private industry. It tries only to provide what it describes as a bridge of understanding between industry's leaders and those governmental and nongovernmental agencies charged with making the environment a cleaner and safer place.

Four times a year at International Environment Forums (IEF), WEC brings together executives of 60 international companies and those charged with keeping the environment clean. "There was such acrimony between governments and private enterprise over the environment when we started," says Mr. Marcil. "We needed to start a dialogue."

Problems and mutual solutions are aired and debated in the forums; representatives of industry are told about foreign and international environmental issues, while policy makers are introduced to industry's concerns in the fields of environment, health and safety. The give and take of conversation outside the formalities of position papers and speeches has offered many leaders on both sides of the debate a view of the human faces behind the policies and attitudes.

The second program that WEC operates seeks to find more direct solutions to en-

WEC Gold Medal

Every year since 1985, the WEC Gold Medal for International Corporate Environmental Achievement has been awarded to a multinational company for its efforts in making its worldwide working environment a cleaner and safer place. "We felt that industry was getting press only in negative situations and that companies were working hard to do the right thing and were not getting credit," says Mr. Marcil. "The jury selection is not equivalent to saying that a company has solved all of its environmental problems — just that this company is an excellent example of an approach that, if followed by all companies, would make the world a better place. It also draws attention to the potential benefits of an environmentally sound corporate policy."

An independent jury selects the award's recipient from a list of nominees that have demonstrated "an outstanding, sustained and well-implemented worldwide environmental, health and safety program." In past years, the winners have included 3M, IBM Corporation, E.I. du Pont de Nemours & Co., the British Petroleum Co., Plc and the Aluminum Company of America.

This spring, WEC presented the 13th annual Gold Medal to Compaq Computer Corporation, which is the fifth-largest computer company in the world and the largest global supplier of personal computers.

In making the award, Dr. Joel I. Abrams — chairman of WEC's Gold Medal Jury and a professor emeritus of the University of Pittsburgh — told Compaq's President and Chief Executive Officer Eckhard Pfeiffer: "From its inception, Compaq's innovative approach to product stewardship, dedication to creativity in its environmental programs and integration of concerns for environment, health and safety have set a standard for others to emulate with pride." Mr. Abrams might well have been describing the World Environment Center itself.

"TECHNOLOGY AND THE ENVIRONMENT" *was produced in its entirety by the Advertising Department of the International Herald Tribune. First in a series brought to you by Compaq.*
WRITER: *Malcolm MacPherson is based in Virginia.*
PROGRAM DIRECTOR: *Bill Mahder.*

WEC Gold Medal Recognizes Compaq's Environmental Achievements

The World Environment Center gave its prestigious Gold Medal for International Corporate Environmental Achievement to Compaq Computer Corporation this spring in recognition of its global efforts, which people in and out of the green movement praise for far-sightedness and creativity.

In receiving the award, Compaq's chief executive officer and president, Eckhard Pfeiffer, said: "We endeavor for leadership in all aspects of our environmental, health and safety performance," specifically through a tough corporate policy that "champions the environment." This attitude has been present since the founding of the company, which is the fifth-largest producer of computers and the largest manufacturer of personal computers in the world.

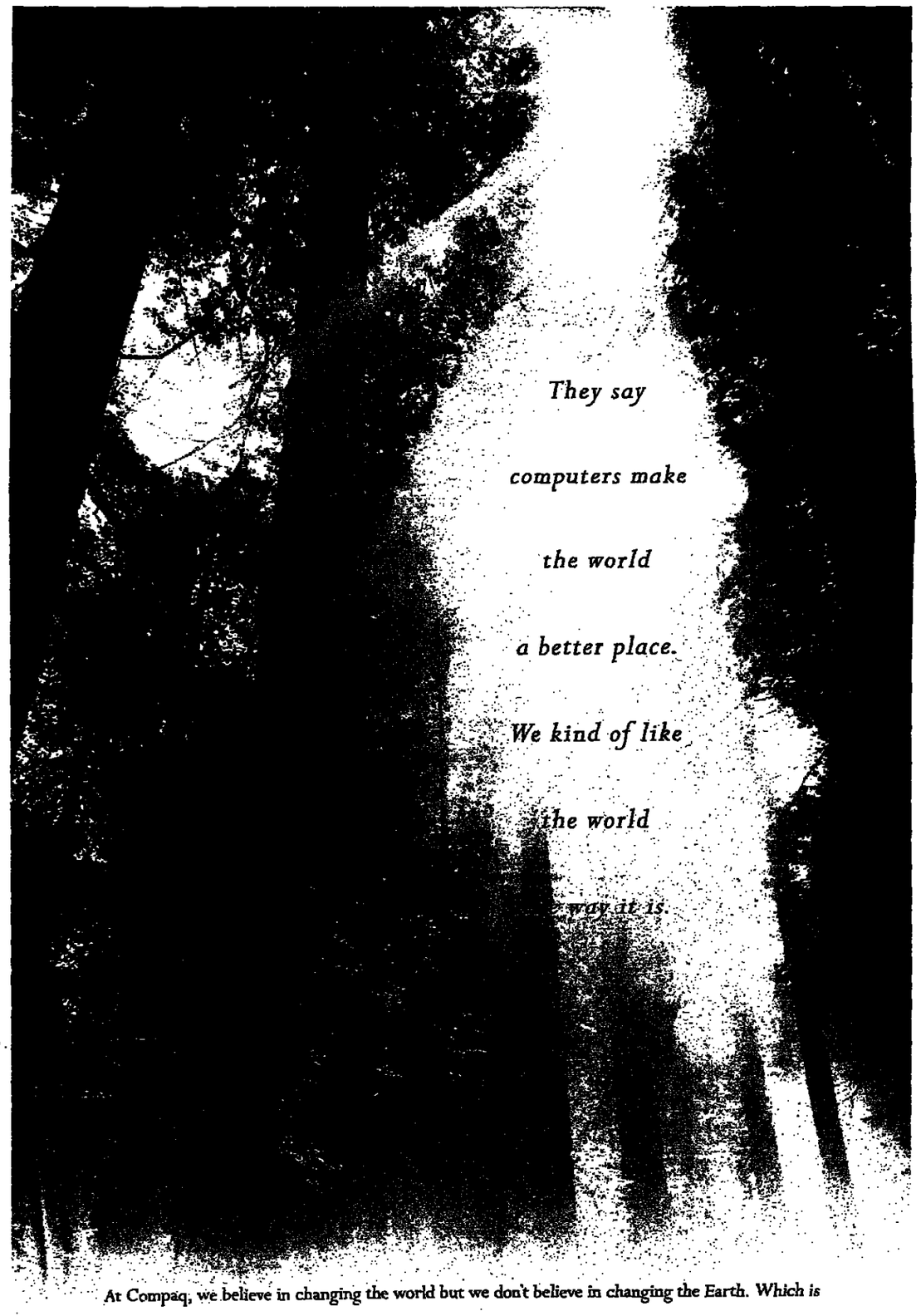
Compaq designs its products with the environment in mind. In terms of energy, it makes its computers as efficient as technology allows. In mechanical design, product engineers plan right at the beginning of the computer's design process for the end of its life and the eventual recycling of its components.

The company's recycling programs save an estimated 9 million gallons of water and 6,000 trees each year. Compaq packaging is made of materials that can be easily identified and recycled. Through the ISO 11469 Standardized Material Marking System, Compaq enhances recyclability by labeling a product's plastic components with the blend of plastic used, the resin and the manufacturer's name. This enables customers and recyclers all over the world to quickly and accurately identify plastics and prepare them for recycling. Similar labels are placed on batteries, packaging and a variety of other components.

In 1989, concerned with ozone depletion, Compaq set a goal to eliminate chlorofluorocarbons from its manufacturing processes. By 1993, it beat its own deadline by two years and became one of the first electronics companies to achieve that goal.

The U.S. Environmental Protection Agency recognized this achievement with its Stratospheric Ozone Protection Award.

Compaq has remained a measurement-driven company that reviews and updates its efficiency and performance. Each Compaq manufacturing site works from a set of specific goals and objectives. These have included a 35 percent reduction in hazardous waste, a 125 percent increase in recycling, a 61 percent decrease in landfill and a 73 percent decrease in air emissions.



At Compaq, we believe in changing the world but we don't believe in changing the Earth. Which is why we try to minimize the environmental impact of everything we do. From product design to manufacturing to recycling. Quite simply, success shouldn't be at the expense of the environment.

This year, we were presented the 1997 World Environment Center Gold Medal for International Corporate Environmental Achievement. Not for doing something extraordinary. But for doing something we believe in.

COMPAQ

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Arco Sets Gas Deal in Indonesia

$3 Billion Is Slated To Develop Big Field

Compiled by Our Staff From Dispatches

JAKARTA — Atlantic Richfield Co. said Tuesday it would spend as much as $3 billion to develop a natural gas field in Indonesia's easternmost province, in its first major international foray in liquefied natural gas.

The Wiriagar field, with estimated reserves of 13 trillion cubic feet of gas, is the company's largest discovery outside of the United States. Its development will create Arco's first international liquefied natural gas complex and put the company into competition with Mobil Oil Corp. of the United States and Total SA of France, which dominate the business in Asia.

Arco said the discovery of the onshore and offshore fields in Irian Jaya Province, about 2,000 kilometers (1,200 miles) east of Jakarta, was the company's third-biggest hydrocarbon find ever.

Indonesia is currently the world's largest gas marketer.

"President Suharto is convinced, as we are, that this is the beginning of another major LNG centre," said Leon Codron, president of Atlantic Richfield Indonesia Inc. "This is very important to us. The basis of our business in Asia is natural gas."

The investment will cost about $2 billion to $3 billion, Mr. Codron said. Pertamina, the Indonesian state oil and gas company, will begin looking for customers for the gas immediately, he added. Minority shares in the project are also held by Occidental Petroleum Corp., Nippon Oil Co. and Kanematsu Corp.

Production of about 6 million tons of liquefied natural gas per year from the project is expected to begin by 2003. Pertamina will receive a 60 percent cut of production; it is already the world's top marketer of liquefied natural gas, commanding about half of the Asia-Pacific region market.

In recent years, Arco has made a number of high-profile foreign investments, including its purchase of a 7.99 percent stake Lukoil, a Russian oil company, and a 20 percent stake in Zhenhai Refining & Chemical Co. of China. *(Bloomberg, AP)*

Thailand Tries to Reassure Lenders

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Faced with a mounting economic crisis, the World Bank will be brought in to mediate between foreign creditors and Thailand's private-sector debtors, Finance Minister Thanong Bhidaya said Tuesday.

He also vowed to increase the transparency of the Thai financial system to win back the support of investors and financial institutions.

Failing confidence in the government's economic management has made the foreign banks that fueled Thailand's decade of growth reluctant to extend or even roll over loans. The banks have also complained that foreign creditors have gotten second-class treatment in favor of domestic institutions in cases of default.

Foreign resistance to continue lending has brought a credit crunch to the private sector, despite a $17.2 billion bailout organized last month by the International Monetary Fund.

Mr. Thanong pledged to do whatever was required to improve confidence in the government, including increasing transparency.

"The central bank has disclosed our forward contracts," he said. "I don't know many central banks willing to be that transparent. I am willing to walk in Bangkok nude — if you want to see it. We have nothing to hide."

"The important thing is to arrive at an agreement with international creditors and not delay the problem," Mr. Thanong added.

The economic crisis, which has seen the Thai currency plummet almost 25 percent in value, comes after a decade of easy money and almost 10 percent annual economic growth. While much of the estimated $73 billion lent over these years by foreign institutions to the Thai private sector went into building factories, much of the money was funneled into less productive areas like real estate and consumerism.

Falling export growth along with waning confidence in the government's ability to manage the situation have made foreign lenders reluctant to keep open credit lines. The drop in the value of the baht has made it more costly for borrowers to repay dollar-denominated loans.

The crunch is starting to hit industries like steel and petrochemicals that were built with cheap capital and based on growth models that presumed continued rapid economic expansion. As of the second quarter, the five listed polyvinyl chloride, or PVC, manufacturers had outstanding loans of 120 billion baht ($3.51 billion), about 90 percent of which was dollar-denominated.

"In many cases the construction capital for plants was borrowed, but operations were supposed to fund themselves through the continued fast growth in demand," said Santisuk Sanguanruang, vice president of finance and administration of the PVC producer Vinythai.

His company was not facing such a problem, Mr. Santisuk said.

Thai PVC production capacity grew to 700,000 metric tons in 1997 from 180,000 metric tons in 1991. But with a rush of construction halted in Bangkok, annual growth of demand for PVC and the pipes it is used to make has dropped from 12 percent in the boom years to about 2 percent so far this year.

A petrochemicals analyst has estimated a 200,000-metric-ton surplus of PVC even if demand grew at 14 percent this year.

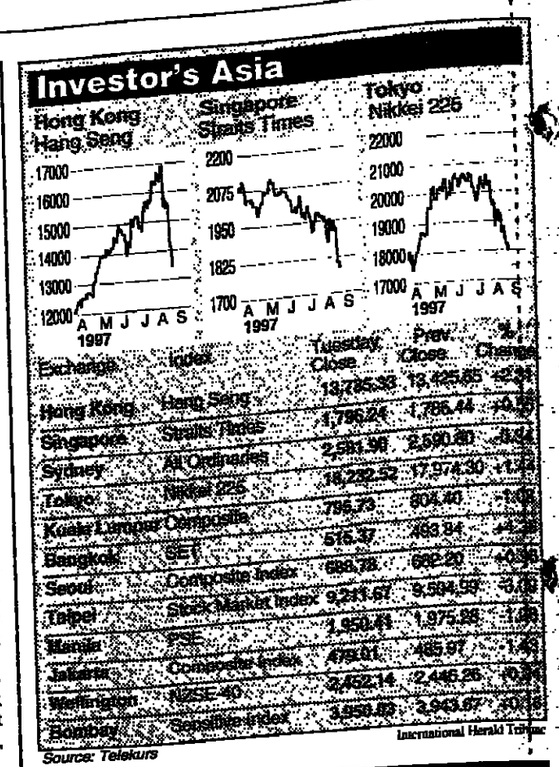
Part of the problem facing the industry, the analyst said, is that the petrochemicals industry was built to help the development of the Thai economy, not to compete in the export market.

"In the long term, the development of a domestic petrochemical industry makes a lot of sense," said the analyst, who spoke on the condition he not be identified. "It's just that the electronics and auto-parts industries have not yet come fully on line."

Many domestic petrochemical products, including PVC, are protected by a 27 percent tax on imports. It was to be lowered to 20 percent from 30 percent at the beginning of this year, but the government limited the cut.

"This was an important government action that helped the industry," Mr. Santisuk said. "It is under consideration for the government to keep it at this level for several years."

Investor's Asia



Source: Telekurs

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,735.33	13,425.65	+2.31
Singapore	Straits Times	1,796.24	1,786.44	+0.55
Sydney	All Ordinaries	2,591.90	2,590.80	+0.04
Tokyo	Nikkei 225	18,232.52	17,974.30	+1.44
Kuala Lumpur	Composite	795.73	804.40	-1.08
Bangkok	SET	515.37	493.94	+4.34
Seoul	Composite Index	680.78	682.20	-0.21
Taipei	Stock Market Index	9,211.67	9,594.59	-3.99
Manila	PSE	1,950.44	1,975.88	-1.29
Jakarta	Composite Index	479.01	485.97	-1.43
Wellington	NZSE-40	2,452.14	2,446.26	+0.24
Bombay	Sensitive Index	3,650.82	3,643.87	+0.19

Very briefly:

• **Tokyo Broadcasting System Inc.** is buying a 10 percent stake in **PerfecTV**, Japan's first digital satellite broadcasting venture, for 2 billion yen ($16.6 million).

• **Jardine Fleming Group**, a Hong Kong brokerage closely identified with British colonial rule, is negotiating to sell a stake in its banking unit to **Ka Wah Bank**, which is controlled by the Chinese government.

• **Japan's** finance minister, Hiroshi Mitsuzuka, said he believed Japanese banks would finish disposing of their 21.9 trillion yen in bad loans by March 2000.

• **Malaysia** expects to launch its testing zone for multimedia applications, the **Multimedia Super Corridor**, in January with 10 companies. Of 112 applications for the project, 41 have been approved.

• **Southcorp Holdings Ltd.**, Australia's largest wine producer, reported at 14.4 percent increase in net profit, to 135.2 million dollars ($97.9 million), for the year ended June 30.

• **Eastman Kodak Co.** of the United States has paid 19 billion yen to acquire a majority stake in **Chinon Industries Inc.**, a Japanese digital camera maker. *Bloomberg, Reuters*

Australia Cracks Open Its Financial Sector

Compiled by Our Staff From Dispatches

CANBERRA — The government unveiled on Tuesday the biggest shake-up in 15 years of the country's multibillion-dollar financial sector, redrawing laws and opening banking services to more competition.

Treasurer Peter Costello, announcing the government's response to an inquiry into the sector, told Parliament that the changes would increase competition, cut costs, increase efficiency, streamline controls and deliver a better deal to consumers.

"This is a major structural reform by the government which will deliver billions of dollars of benefits for Australian business and consumers," Mr. Costello said.

The financial sector is worth about 40 billion dollars ($29 billion).

Under the reforms, a new agency will take over the Reserve Bank's job of supervising banks and a megaregulator will be set up to oversee financial institutions.

The reforms also break down much of the regulatory differences between banks and other financial institutions and continue the government's push for more competition in retail banking.

Mr. Costello said the package of reforms would dramatically reshape the financial sector as it approaches the next century.

"The financial sector lies at the heart of the entire economy, and we all depend on its success," he said. "The measures I have announced today will facilitate greater choice and competition in financial service. They will encourage more rapid innovation, providing wider access and enhanced levels of service."

"Australia will have a world-class regulatory structure that ensures the highest standard of prudence and safety and consumer protection," he added.

The reforms are the final stage of the government's response to the Wallis inquiry into the financial system, which in April urged the most sweeping liberalization of the sector since its deregulation in 1983.

In his preliminary response to the inquiry, Mr. Costello had agreed to end bans on foreign takeovers of local banks and said mergers between the four largest banks and two main life insurance offices should be allowed . He also ended the requirement for deposit insurance.

But Mr. Costello did not announce Tuesday when the government would permit takeovers or mergers among the country's four big banks — Westpac Banking Corp., Australia and New Zealand Banking Group, Commonwealth Bank of Australia Ltd. and National Australia Bank Ltd. — to go forward.

Commonwealth Bank expressed some reservations about the new regulatory structure, and a Westpac spokeswoman, Susan Brooks, said the moves were "not without risks."

One risk is the end of the requirement that banks keep 1 percent of their Australian-dollar assets within Australia with the Reserve Bank in the form of noncallable deposits. Banks are paid below market rates for the money, earning the government about 196 million dollars a year. *(Reuters, Bloomberg)*

Hong Kong Stocks Recover, Rising 2%

Agence France-Presse

HONG KONG — The benchmark Hang Seng index plunged Tuesday to its lowest level in four months on a sell-off of China-related shares before recovering to rise 2.3 percent in the last hours of trading.

But the sell-off in "red chips" and other mainland Chinese companies listed locally triggered panic in Shanghai, where foreign-denominated B shares fell 6.5 percent.

The Hang Seng gained 309.68 points to finish at 13,735.33, ending five days of strong selling on concerns about regional weakness.

John Schofield, a director at Nava SC Securities, said: "After the wild swing this morning, I think the market is trying to find a level since it has heavily been oversold."

India Raises Prices for Fuels

Bloomberg News

NEW DELHI — India raised the prices of diesel fuel, gasoline and cooking gas Tuesday and said it would abolish the fixing of petroleum prices in two years to slash subsidies.

The price increases — 26 percent for diesel, 5 percent for gasoline and 14 percent for cooking gas — will raise transportation and power costs for companies and hurt profits, mainly in the cement, steel and automobile industries, analysts said. The increases — long seen as inevitable — ended eight months of political wrangling and are likely to help cut the government's 220 billion rupee ($6.04 billion) annual oil-subsidy bill.

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QINGDAO
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AFRICA
ABIDJAN
CAPE TOWN
DURBAN
JOHANNESBURG
KINSHASA
KRUGER NATIONAL PARK
LUSAKA
NAIROBI
VICTORIA FALLS

*FORUM HOTEL

A Galvanized Mahathir

Malaysian Takes On a Contracting Economy

Bloomberg News

KUALA LUMPUR — Mahathir bin Mohamad, who has led Malaysia for nearly half of the country's four decades as an independent nation, counts himself as one of Frank Sinatra's biggest fans.

Like the octogenarian crooner, the 71-year-old Malaysian prime minister has been doing it his way, and his response to the slump in the region's stock and currency markets is no exception.

Rather than bow to the realities of slowing growth and the impact of a weaker currency on Malaysia's yawning current account deficit, the combative former physician has come out swinging.

"Because Malaysia has been so successful over the past 10 years, they think they can solve every problem that comes their way," said Tim Julien, who manages Southeast Asian stocks at Mercantile Mutual Investment Management Ltd. in Sydney.

Mr. Mahathir, stealing much of the economic limelight from his deputy, Finance Minister Anwar Ibrahim, has clamped restrictions on currency and stock trading and blasted currency speculators as "international criminals."

Mr. Mahathir has pointed the finger at the billionaire financier George Soros, accusing him of trying to destroy economic growth through speculative attacks on Malaysia's currency, the ringgit. He has labeled Mr. Soros a "moron" who epitomizes the "self-serving rogues" who would suck Southeast Asian economies dry.

Last week, he rejected the International Monetary Fund's view that Malaysia's currency and economic problems are a "wake-up call" to slow the pace of giant infrastructure projects, saying the international agency "had to subvert" the economy to prove it was right, Agence France-Presse reported.

The nationalist rhetoric brings a price, as it may have dashed — at least for now — Malaysia's push to become a regional financial center. It has almost certainly stalled the liberalization of Malaysia's capital markets.

"It may be quite some time before people feel comfortable with Malaysia again," said Bruce Gale, regional manager of Political Risk Consultancy Ltd., which advises foreign companies on Asian investments.

The rhetoric may now mean a loss of face for Mr. Mahathir himself. Last week, the prime minister called on Malaysia's pension funds and companies to buy stock to stem the market's decline after the Kuala Lumpur exchange limited the purchase of benchmark stocks. He also promised that the market would recover by the end of this week. On Tuesday, the benchmark Composite Index fell a further 1 percent, to 795.73 points.

"Mahathir will face a huge loss of credibility when the index falls below 700 or even 650, which it's bound to do," said Mahmood Ghaemmaghami, head of research at Westdeutsche Landesbank in Singapore.

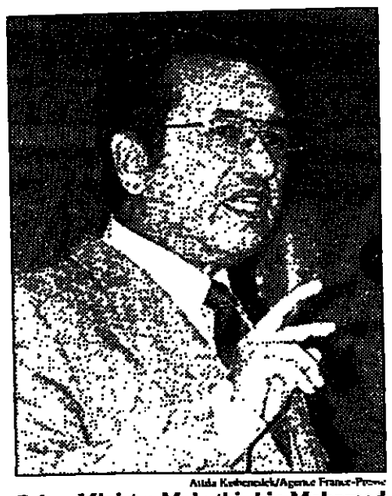
The index has slumped nearly 20 percent since Malaysia slapped restrictions on trading of the ringgit. On Aug. 3, the central bank said Malaysian banks must limit swap-market transactions to $2 million per foreign customer.

That was a break from two years of policy aimed at loosening the grip on markets and luring more foreigners into Malaysia's fledgling capital markets.

Now, not only are foreigners not being lured, but existing investors are running for cover.

Last week, the Composite Index fell 11 percent.

Beefing up Kuala Lumpur's status as a financial center was central to Mr. Mahathir's plan to give Malaysia a Western-style, fully developed economy by 2020. Since becoming prime minister in 1981, he has sold state companies and fostered the development of heavy industries like car-making in an economy that was dependent on the export of commodities.



Attila Kisbenedek/Agence France-Presse

Prime Minister Mahathir bin Mohamad of Malaysia: Not just a Sinatra fan.

From the word go, Mr. Mahathir has worked to put Malaysia on the world map. To him, that means such giant public works projects as the world's tallest office building, the world's longest building, one of the world's largest dams, and Southeast Asia's largest airport.

This brand of big-is-beautiful breakneck development brings costs — principally Malaysia's yawning current-account deficit, which the central bank has forecast will be 14.8 billion ringgit ($5.05 billion) this year — or 5.5 percent of gross national product. Both Mr. Mahathir and Mr. Anwar, the finance minister, have warned the deficit could be greater.

Other economic clouds loom. Money supply has been expanding at about 20 percent this past year, and the property market — after years of rapid growth — could be headed for a bust. All that plus a slump in the value of the ringgit has investors fretting about the health of Malaysia's banks.

The new glass and chrome skyscrapers that dot the capitals of Southeast Asia — including Kuala Lumpur — were once symbols of vibrant, emerging Asia. Now, they are telltale signs of the excesses of the past few years.

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September 2, 1997

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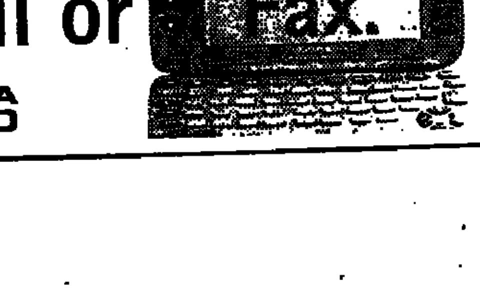

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Herald International Tribune
SPORTS
WEDNESDAY, SEPTEMBER 3, 1997

WORLD ROUNDUP

Martin Dropped From Ryder Cup

GOLF Miguel Angel Martin was dropped from the European Ryder Cup team Tuesday after refusing to take part in a fitness test. He was replaced by fellow Spaniard Jose Maria Olazabal.

A Ryder Cup committee spokesman said Martin, who has not played in a tournament since July 18 because of a wrist injury, had said he did not think it "necessary or convenient" to play 18 holes of golf as requested by the committee. *(Reuters)*

AP

The Olympic champion Ioannis Melissanidis, performing floor exercises Tuesday in qualifying at the world gymnastics championships in Lausanne.

Bidding Cities Deny Bribes

OLYMPICS Stockholm and Cape Town Olympic bid organizers denied Tuesday that they had offered gifts to International Olympic Committee officials to secure votes for the 2004 Olympics.

On Tuesday, a senior IOC member, who declined to be identified, said both cities had been warned about infringements of the Olympic rules.

The official said Stockholm had been accused of offering free furniture to IOC members while Cape Town had allegedly offered free flights to Switzerland to members' wives. The IOC is meeting in Lausanne, Switzerland, this week and will chose the 2004 host from five candidates on Friday.

Stockholm officials said they had received a letter from the IOC.

Finn Persson, a Stockholm bid spokesman, said the bid organizers had offered help to members to arrange the transport of furniture but had not offered to pay for the goods or the transport.

Paul Johnson, a Cape Town spokesman, was adamant that South African officials had not offered free trips to Lausanne. *(Reuters)*

England Drops Teenager

SOCCER England dropped defender Rio Ferdinand on Tuesday from its squad to play Moldova in a World Cup qualifier next week because of a drunk-driving incident.

"The England coach Glenn Hoddle has been informed by West Ham United of a drunk-driving incident involving Rio Ferdinand," the Football Association said. "He has lost the chance of making his England debut at Wembley."

But Ferdinand, 18, will continue to train with the England squad. In the unlikely event that had been selected he would have been the youngest England player for more than 40 years. *(Reuters)*

A Startled Sampras Goes Down in 5 Sets

Korda Easily Unseats Top Seed

By Jennifer Frey
Washington Post Service

NEW YORK — This time, Pete Sampras was not nauseated or emotional or carrying some heavy personal burden. There was no virus that weakened his body, no trauma that tore at his heart. He was simply human — a human who made too many mistakes.

In a gritty, five-set match Monday at the U.S. open that included three rain delays and three tiebreakers, Sampras's supreme serve disappeared at the most crucial of times. His usually quick feet grew sluggish. His backhand fell in love with the net. It was a stunning performance for the world's top-ranked tennis player, who fell to the No. 15 player Petr Korda 6-7 (7-4), 7-5, 7-6 (7-2), 3-6, 7-6 (7-3) in what was only a fourth-round match.

It was so stunning, in fact, that the instant after Korda served up his final winner, he slapped both hands to his head and let his mouth hang agape before he finally remembered to execute his trademark scissors kick of celebration.

A five-set loser to Sampras at Wimbledon earlier this summer, Korda advances to the quarterfinals, where he will face the unseeded Jonas Bjorkman in what is now a wide-open bracket. The power left appears to rest with the No. 2 Michael Chang and the unpredictable Andre Agassi. Bjorkman beat Scott Draper, an unseeded Australian, in four sets.

After his demise, Sampras said that "it would be pretty tough" for Korda to win the tournament. "I probably see Agassi or Chang winning it now," he added.

At almost every Grand Slam, though, Sampras seems to have one match that turns into an epic, when he teeters on the brink of disaster, but rarely topples off.

"I've been in this situation a lot," Sampras said Monday, almost sighing, "and the majority of the time I've come through. But I'm not going to come through all the time."

It seemed impossible that Sampras would not prevail in the final tiebreaker, this time, just as he had prevailed last year at the Open, when Alex Corretja took him through five draining sets, and Sampras left his guts on the court. Instead, the tiebreaker was most certainly a letdown: Sampras was quickly down 3-0 on three consecutive backhand errors, and he never got closer than 5-2. He double-faulted, of all things, to set up match point for Korda, who finished it off with a service winner.

"It was a long day with the rain and everything," said Sampras, who had 66 unforced errors, 19 in the fifth set.

The match was a roller-coaster, with Sampras's game varying widely from set to set and game to game. In the first set, he saved himself with four straight brilliant serves when Korda had triple-set point, then saved himself again in the tiebreaker, when he trailed 2-4 before reeling off five straight points.

He destroyed himself with two double faults in the crucial 11th game of the second set, when Korda broke him to take a 6-5 lead, then served out the set. And in the third set, Sampras lost his backhand, and Korda took him apart in the tiebreaker — Sampras's only two points came on aces. "I just didn't put the clamps on him when I had him," Sampras said.

In the fourth set, the rains came in earnest, forcing a third, extensive break. Leading 1-0 but looking rather exhausted, Sampras packed his bags and headed for the players' locker room for a much-needed break.

He returned looking like a different player and pounded to a 6-3 fourth-set victory. Korda — a tall, bird-like man prone to showing emotion — seemed ruffled. The next set started out no better for the Czech. Sampras's first serve of the first game was an ace. He held, and broke Korda in the next game with a backhand so spectacular that the normally sedate Sampras celebrated. And he started the next game with an ace as well. Ahead 3-0, Sampras looked ready to finish the nonsense. But Korda was not ready to let him do that.

Seizing on the backhand that had been his best weapon all day, and suddenly serving up aces like he was, well, Sampras, Korda stormed back to win three straight games and tie the fifth set at 3-3. "When he gets hot, there's nothing you can do," Sampras said.

Both players held serve until the match advanced to the tiebreaker, and then even Sampras was thinking about his marathon against Corretja last year. He had won then even he had been nauseated and reeling over the recent death of his coach, Tim Gullikson. This time, though, he just couldn't survive.

"It reminded me of my match with Corretja," Sampras admitted. "I came from basically out of the match and ended up winning it and winning the tournament." Then he shrugged.

"Maybe what comes around, goes around," he said.

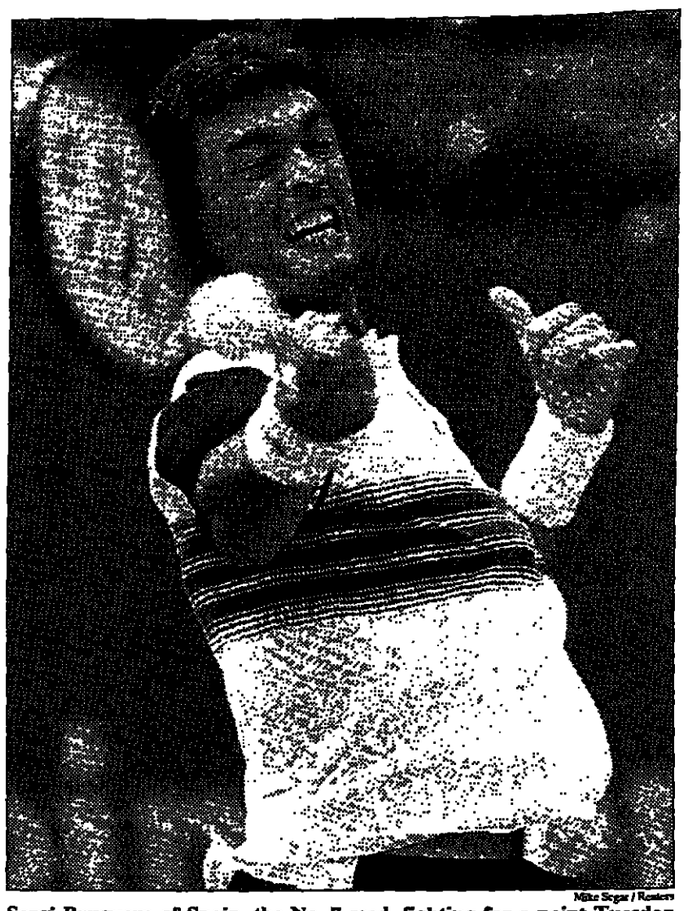
■ Krajicek Makes Quarter-Finals

Richard Krajicek, an unseeded Dutchman, served his way into the quarter-finals of the U.S. Open with a dominating straight-sets victory over Felix Mantilla, the No. 12 seed, of Spain, Reuters reported.

Krajicek, the 1996 Wimbledon champion, belted 16 aces and never faced a break point in a match which ended with only a few in Arthur Ashe Stadium to cheer the lopsided 7-5 6-3 6-4 victory.

The victory by the 18th-ranked Krajicek guarantees at least one unseeded semifinalist in a tournament that has lost six of the top eight seeds.

In the quarter-finals Krajicek will face another of the game's biggest servers Greg Rusedski of Britain, who beat Daniel Vacek, a Czech, a 7-6 6-2 6-2 earlier on Monday.



Mike Segar / Reuters

Sergi Bruguera of Spain, the No. 7 seed, fighting for a point Tuesday against Marcelo Rios. Rios, the No. 10 seed from Chile, won, 7-5, 6-2, 6-4

Seles Falls To Spirlea; Rios Beats Bruguera

Compiled by Our Staff From Dispatches

NEW YORK — Monica Seles, the No. 2 seed, lost Tuesday to Irina Spirlea, seeded No. 11, in the quarter-finals of the U.S. Open tennis championships.

Spirlea, playing brilliantly in the best match of the women's tournament so far, outbattled the gritty Seles, 6-7 (5-7),

U.S. OPEN TENNIS

7-6 (10-8), 6-3, to reach the semifinals of a Grand Slam for the first time.

"I know not so many people know me compared with Monica," Spirlea said. "But now they'll know me."

Seles won the first set by sweeping the last four points to win the tiebreaker, 7-5. In the second tie break, Spirlea took a 4-1 lead, but Seles fought back to earn a match point at 6-5, which Spirlea saved with a sharp volley.

Spirlea broke a tiring Seles in the third game of the final set to take a 2-1 lead and then broke the Yugoslav-born American in the ninth game to claim her first victory in five tries against the former world No. 1.

Marcelo Rios, a 21-year-old Chilean seeded No. 10, served 11 aces and cracked 39 winners to beat Sergi Bruguera, the No. 7 seed, 7-5, 6-2, 6-4.

Rios, who had not advanced past the second round in three previous trips to the Open, continued a strong Grand Slam season in which he has reached the quarterfinals in Australia and the last 16 at the French Open and Wimbledon.

"I wasn't moving that well today," said Bruguera, a 26-year-old Spaniard. "He was serving very good and made a lot of free points. I kept thinking it's going to change, it's going to change, going to change, and then I'm shaking hands at the end."

In a match between two unseeded men, Magnus Larsson of Sweden advanced to his second U.S. Open quarterfinal when he beat Wayne Ferreira of South Africa, 6-3, 7-6 (7-5), 6-3. *(AFP, AP, Reuters)*

Once Again, Maradona Stands on the Lip of a Brutal Fall

World Soccer / **BY ROB HUGHES**

International Herald Tribune

LONDON — We will know late Wednesday whether to cry for Diego Maradona — again and by how much. He is in his not-unfamiliar state: Hiding behind the shutters, afraid or contemptuous of publicity. An icon so vulnerable it hurts.

Maradona has reached late sporting life without wisdom. He was allowed to kick a ball again, for weekly pay greater than other men earn in a year, before it is too late for his beautiful talent.

Unless Wednesday's second urine sample contradicts the first, which showed once again traces of cocaine, Argentina's superstar is in for another long ban from soccer — his love, his life, his dependency.

Poor, spoiled Diego. He has a waning magician's wand of influence over a ball. He craves the pain of working his body after so many injuries, so much wear and tear.

Plucked from his shanty and his family at nine, used as a child performer for rich and ruthless entrepreneurs, he hasn't grown up. He drew back his shutters this week to ally himself to Princess Di, to say that she, like him, bore the burden of being hounded.

His words were semi-coherent. He came close to admitting drugs were his escape. Maradona sees himself as victim. Those around him, including by now his growing daughters, may see the paradox of a man gifted yet irresponsible and inadequate.

Perhaps when Boca Juniors washes its hands of him, and withdraws his $50,000 match fee, he will finally let go. Perhaps there are chapters left to enact; small rises, painful falls. And perhaps a return to poverty, ultimately to the gutter, awaits.

Life, and sport, goes on. Last Saturday in Madrid's huge theater, the Bernabeu, a younger player noted for headstrong aberrations celebrated a new season in wondrous fashion.

Clarence Seedorf, one of those handsomely skilled Dutch players of Surinamese stock, blossomed in the all-white of Real Madrid. His team was a goal down to Atletico Madrid, facing defeat in the city derby for the first time in a dozen contests.

Juninho, the miniature Brazilian with a huge and infectious appetite, had scored Atletico's opportunist goal. Had Christian Vieri, Atletico's $17 million Italian import, converted his chances, there would have been no way back for Real.

But Vieri missed, four times. Real Madrid found purpose and rhythm. Seedorf began to play as if on a mission and finally transcended the heights of his career to score the equalizer.

He was 46 meters from Atletico's net, 15 meters to the right of the center circle. Either by instinct, or by observation, Seedorf knew that Jose Francisco Molina, Atletico's solid but sometimes careless goalie, was off his line.

Seedorf unleashed a pearl of a shot. Inducing spin with the outside of his right boot, he deceived Molina: first the ball seemed to go straight, then it veered in a graceful, rising arc, into the unguarded side of the net.

Intended? For sure. The Dutchman was guiding it with an imaginary wave of his hand, willing it and wishing it. And yes, he had an inspiration, a higher purpose. Clarence Seedorf had become a father for the first time, the night before.

His form and his renewed sense of leadership and responsibility could be manna from heaven for the Dutch. They have Dennis Bergkamp at his peak as well, for the blond striker, so very close to Johan Cruyff's Dutch national scoring record now, is playing and finishing with rare class and determination for Arsenal.

Together, Seedorf and Bergkamp could make the difference on Saturday as the Netherlands plays Belgium in the decisive World Cup qualifying game of European Group 7. Others, such as the Germans and the Norwegians, might also move significantly toward qualification that same day, but we expect such things from the knowing Germans, the obdurate Norwegians.

But the Dutch, who knows when they deliver? The talent abounds. The temperament confounds.

Right now the Dutch supporters wonder whether to cheer or jeer Patrick Kluivert, their tall, troubled center forward. He has been playing only three weeks after surgery and, more to the point, after a rape case that followed his conviction for killing another motorist.

Kluivert is a marvelous talent, a big man with a deft touch. The nation could forgive him one catastrophic mistake, a misdemeanor of overpaid and over-eulogized youth. Yet even some of his teammates now feel this was a time to leave him out, not to rush or reward him, and in part it is the lack of remorse or apology that brings this upon him.

Should Kluivert play and miss even one opportunity on Saturday his night will be harrowing. The public will deride and revile him.

At 20, he perhaps needs shelter, time and space to find his feet.

His Dutch national team colleagues are being more charitable elsewhere. On Monday their skipper, Frank de Boer, organized a whip round of players' donations and then a short private plane ride.

Typically Dutch, the players gave their Saturday match fees, totaling 100,000 guilders ($48,000), to Jean Marc Bosman, the Belgian player whose pursuit of his rights in the European Court led to the liberation and enrichment of soccer players across Europe.

But when de Boer's men asked the Belgians to join in the gesture, the response was negative. George Leekens, Belgium's national team trainer, said it was "a trick" to bring his players out of concentration.

More likely, the Belgians feared reprisals from their soccer federation, which in April prohibited a testimonial match for Bosman.

Bosman, the liberator, is suing the Belgian FA and his former club Liege, which in 1990 effectively aborted his career, refusing him a move to Dunkirk.

One of the few Belgian players still around from that time, Georges Grun, now 35, made his own donation to Bosman, a $350 check. Come Saturday, the Dutch might ask what is one among so many?

Rob Hughes is on the staff of The Times of London.

Packers Forced to Work in Beating Bears

By Leonard Shapiro
Washington Post Service

GREEN BAY, Wisconsin — The Green Bay Packers were not expected to toil this hard in their season opener against the Chicago Bears. The defending Super Bowl champions churned out a sloppy 38-24 victory in a game that was far more competitive than many could have imagined.

Chicago held the Packers to minus-two yards rushing in the first half Monday and put pressure on quarterback Brett Favre all night. The Bears took a quick 8-3 lead and were still close early in the fourth quarter before Green Bay's defense took charge and the Packers won their 19th straight at Lambeau Field.

Still, it was a costly victory. Starting cornerback Craig Newsome suffered a season-ending knee injury on the game's first play. Also walking off the field on crutches at game's end was tight end Mark Chmura, who suffered a tendon injury in his left knee.

Coach Mike Holmgren said he didn't think Chmura would need surgery but probably would be lost for four to six weeks.

The Packers' running game finally began to show signs of life in the second half. But only when the Packers drove 84 yards for a one-yard touchdown run by Dorsey Levens with 8 minutes 12 seconds left in the game and a 31-11 lead could their 60,766 fans relax.

Vincent Laforet/Agence France-Presse

Todd Sauerbrun, No. 16, the Bears' placekicker, flipping away the ball on a bungled extra-point attempt.

Favre took advantage of a Chicago turnover by throwing a one-yard scoring pass to tight end Jeff Thomason, then passing in the end zone to Levens for a two-point conversion and an 11-8 lead with 5:51 remaining in the second quarter. The Packers never trailed again.

The offense caught fire after the two-minute warning at the end of the first half. Favre moved his team 80 yards in five plays, throwing an 18-yard scoring pass to wide receiver Robert Brooks one play after he found him open for a 44-yard gain.

That provided an 18-11 advantage with 48 seconds remaining in the half and a nice emotional lift going into the locker room. The Packers held Chicago scoreless in the third quarter, ran off the next 13 points for a 20-point lead and never were seriously threatened again.

Ryan Longwell, a rookie kicker, had field goals of 38, 36 and 29 yards in place of Chris Jacke. And Bill Schroeder averaged 21 yards on five punt returns as he replaced Desmond Howard, last year's star returner.

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After he ... first inning ... father gave ... Pete Jr. ... ping ... Kevin ... On ... time ... Larkin's ... off first ... glove

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST

Baltimore
New York
Boston
Toronto
Detroit

CENTRAL

Chicago
Cleveland
Minnesota
Kansas City

WEST

Seattle
Anaheim
Texas
Oakland

NATIONAL LEAGUE

EAST

Atlanta
Florida
New York
Montreal
Philadelphia

CENTRAL

Houston
Pittsburgh
St. Louis
Cincinnati
Chicago

WEST

Los Angeles
San Francisco
Colorado
San Diego

MONDAY'S LINESCORES

New York (AL)
Philadelphia
Inning...
1st and ...
Lieberthal ...
3 HP—...
Cleveland
Pittsburgh
Open ...
St. one ...
Wallace ...
—Open ...
HR ...
Atlanta ...
Toronto
New York (N.L.)
Hentgen ...
Schourek ...
Ryan ...
W—...
L—...
Sv—...
DTL Hughes
Kansas City
Cincinnati
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BUSINESS OPPORTUNITIES

SPORTS

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Now Pete Rose Jr. Needs 4,255 More

The Associated Press

Pete Rose Jr. has spent his whole life trying to be like his father. And when he reached first base after his first big league hit, Petey raised his fist to salute baseball's hit king.

Pete Rose clapped along with 31,000 fans, then celebrated his son's single by holding up his index finger — No. 1.

It was a sweet moment for the younger Rose, 27, who toiled for a third of his life in the minors before getting his chance with the Cincinnati Reds on Monday.

"It was everything and more," Rose Jr. said, still wearing eye black and a sweaty jersey with No. 14 on the back long after the game. "Those nine years of bus rides, bad food, bad hotels, bad fans — it was all worth it."

After he struck out in the first inning using a bat that his father gave him 11 years ago, Pete Jr. led off the fourth inning against Kansas City's Kevin Appier.

On a 2-2 pitch, Rose, this time swinging one of Barry Larkin's bats, lined a single off first baseman Jeff King's glove.

"After his first at-bat, I said, 'He's only got 1,142 to catch me,' " Pete Rose said, referring to his career strikeout total.

"After the second at-bat, I said, 'He's only got 4,255 hits to catch me.' He did all right."

A 7-4 loss to the Royals was merely a footnote to Rose's day.

When Petey took the field, his father was hurrying to his seat after flying from Florida and getting caught in traffic.

The son finished 1 for 3 with a walk and a .333 batting average — 30 points higher than his father's career mark.

The game meant brisk business for the team, with some fans saying they came back to the ballpark for the first time in years.

The attendance of 31,920 included about 7,000 in walk-up sales. Before Rose was called up from the minors during the weekend, the Reds had sold 16,000 tickets for the Labor Day interleague game against the Royals.

"I haven't been to a Reds game in seven years, since Pete was banned," said Anthony Lorenz, a former Cincinnatian who lives in Indianapolis. "But I saw Pete's first game at Crosley Field in 1963, and I'm here to see Petey's first game." The elder Rose was banned for gambling.

The fans cheered everything Rose Jr. did. They rose when he was introduced, stood throughout his first at-bat and applauded when he struck out. They cheered his first assist at third base, a fourth-inning ground out, and went wild when he got his first hit.

"This is what we came to see," said Steve Rose — no relation — of Indianapolis. "I think this is wonderful, historical."

"I was in tears," Pam Carmin, of Enon, Ohio, said of Petey's hit.

Neal Lauron/Reuters

Pete Rose Jr., wearing his father's No. 14, walking away from home plate after he struck out in his debut.

Griffey Adds 2 in Homer Chase

Compiled by Our Staff From Dispatches

Ken Griffey Jr. cranked up his chase of Roger Maris's home run record by homering in his first two at-bats as the Mariners beat the San Diego Padres, 9-6, in Seattle.

Griffey, who hit 12 homers in August, has 46, with 24 games left to break Maris's mark of 61, set for the New York Yankees in 1961. Griffey went 4-for-4 on Monday with a double and four runs batted in, giving him the American League lead with 126.

"Let's not start with that," said Lou Piniella, the Seattle manager, cutting short a question about Griffey vs. Maris. "All right? I don't want to hear it. O.K.?"

"We've put ourselves in a position to be in the postseason," Griffey said. "We've worked real hard to be here, and this is when it counts. I'm just going out and playing. Whatever happens is going to happen."

BASEBALL ROUNDUP

Phillies 5, Yankees 1 In Philadelphia, Curt Schilling (14-10) struck out a career-high 16 while Hideki Irabu (4-3) left the game early.

Schilling pitched eight innings on a humid afternoon, raising his major league-leading strikeout total to 280.

Irabu left with none out in the fourth. He gave up five runs and nine hits and his earned run average climbed to 7.68.

Irabu, who has had problems controlling his temper on the field, broke a sprinkler head in the Yankees' clubhouse after his early departure.

Schilling's pitches consistently registered 97 and 98 miles an hour on the radar gun. Irabu's fastball got only as high as 95 mph, and it was consistently measured between 91 and 94.

Schilling struck out Derek Jeter, the Yankees' shortstop, four times. Afterward Jeter said: "You guys are talking to the wrong person. You better talk to someone who saw his stuff."

Indians 7, Pirates 5 Sandy Alomar hit a three-run homer as Cleveland scored four runs in the first on the way to victory in Pittsburgh. Cleveland and Pittsburgh are 130 miles apart and since 1901 both have been in the major leagues. Yet, they had not previously met in a regular season contest.

Mets 3, Blue Jays 0 In New York, Jason Isringhausen allowed two hits in six innings for his second victory, and John Olerud homered off his former team.

Isringhausen was making his second start since coming back from a broken wrist and tuberculosis. The right-hander won his last start despite giving up 11 hits in five innings.

Olerud, traded by the Blue Jays in December after playing eight seasons in Toronto, homered in the fourth.

Expos 4, Red Sox 2 In Montreal, rookie Vladimir Guerrero hit a two-run homer with two out in the 10th as Montreal improved its interleague record to 10-3.

White Sox 5, Cardinals 4 Magglio Ordonez, in his first pinch-hit appearance, homered with two out in the ninth to give Chicago victory in St. Louis.

Brewers 3, Astros 2 In Houston, Jeromy Burnitz had three hits, including a two-run double, as Milwaukee sent Houston to its fifth straight loss.

Twins 7, Cubs 6 In Chicago, Pat Meares hit a tying, three-run homer in the fifth and added the go-ahead single in the seventh.

Minnesota's Paul Molitor had two hits, tying Paul Waner for 13th on baseball's career list with 3,152.

Marlins 10, Orioles 4 In Miami, Devon White hit a grand slam and Cliff Floyd a three-run homer as Florida won its third straight. Baltimore's Lenny Webster drove in four runs with a homer and his first triple since 1992.

Tigers 4, Braves 2 In Atlanta, Deivi Cruz squeezed home the go-ahead run in the seventh, and Detroit ended Greg Maddux's 10-game winning streak.

Maddux (17-4) had not lost since a June 13 interleague game against Baltimore. The four-time Cy Young Award winner allowed eight hits with eight strikeouts in seven innings.

Giants 8, Athletics 2 J.T. Snow drove in four runs as San Francisco won before 50,792 fans, the largest baseball crowd in Oakland history.

Snow, who went 2-for-4 with a walk, had a two-run single in the fifth and a two-run double in the ninth. He is hitting .400 with nine homers and 20 RBIs in 15 interleague games.

Rockies 4, Angels 1 In Anaheim, Harvey Pulliam hit a two-run homer, and rookie John Thomson pitched eight strong innings as Colorado won its seventh straight. (AP, NYT)

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	85	49	.634	—
New York	79	56	.585	6½
Boston	67	71	.486	20
Toronto	65	71	.478	21
Detroit	64	72	.471	22
CENTRAL DIVISION				
Cleveland	71	62	.534	—
Milwaukee	69	67	.507	3½
Chicago	69	68	.504	4
Minnesota	57	78	.422	15
Kansas City	56	78	.418	15½
WEST DIVISION				
Seattle	76	62	.551	—
Anaheim	74	64	.536	2
Texas	64	73	.467	11½
Oakland	53	85	.384	23

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	85	52	.620	—
Florida	81	55	.596	3½
New York	74	62	.544	10½
Montreal	68	68	.500	16½
Philadelphia	51	82	.383	32
CENTRAL DIVISION				
Houston	70	67	.511	—
Pittsburgh	68	70	.493	2½
St. Louis	63	74	.460	7
Cincinnati	59	76	.437	10
Chicago	55	83	.399	15½
WEST DIVISION				
Los Angeles	79	60	.565	—
San Francisco	76	62	.551	2
Colorado	69	70	.496	9½
San Diego	65	74	.468	13½

MONDAY'S LINESCORES

INTERLEAGUE

New York (AL) 000 001 000—1 7 0
Philadelphia 200 300 00x—5 11 0

Irabu, Boehringer (4), Lloyd (6), Mendoza (8) and Girardi; Schilling, Bottalico (9) and Lieberthal. W—Schilling, 14-10. L—Irabu, 4-3. HR—Philadelphia, Baron (3).

Cleveland 402 100 000—7 12 0
Pittsburgh 201 101 000—5 9 2

Ogea, A. Lopez (6), M. Jackson (8), Mesa (9) and S. Alomar; Cooke, J.Johnson (4), Wallace (7), Ruebel (9) and Kendall. W—Ogea, 6-8. L—Cooke, 9-14. Sv—Mesa (10). HRs—Cleveland, Ramirez (23), S. Alomar (17).

Toronto 000 000 000—0 2 0
New York (NL) 000 111 00x—3 6 0

Hentgen, Quantrill (7), Plesac (8) and B. Santiago; Isringhausen, McMichael (7), Rojas (8), Jo.Franco (9) and Hundley. W—Isringhausen, 2-0. L—Hentgen, 14-9. Sv—Jo.Franco (34). HRs—New York, Olerud Huskey (18).

Kansas City 100 002 012—7 10 1
Cincinnati 012 000 001—4 8 0

Appier, Service (6), Whisenant (7), J. Montgomery (9), Pichardo (9) and Macfarlane; Remlinger, Belinda (6), Graves (8), Fe.Rodriguez (9) and J. Oliver. W—Appier, 8-11. L—Remlinger, 6-7. Sv—Pichardo (10). HRs—Kansas City, Damon (8). Cincinnati, Taubensee (9).

Boston 000 002 000 0—2 3 0
Montreal 010 000 010 2—4 6 1

B.Henry, Lowe (6), Corsi (8), Hudson (10) and Hatteberg; M.Valdes, Telford (6), Bullinger (7), Urbina (9) and Widger. W—Urbina, 4-8. L—Hudson, 3-1. HRs—Montreal, V. Guerrero (9), Segui (16).

Milwaukee 000 120 000—3 7 1
Houston 001 000 010—2 8 1

Adamson, Fetters (6), Wickman (8), Do.Jones (9) and Matheny; Holt, Magnante (8) and Ausmus. W—Adamson, 5-2. L—Holt, 8-10. Sv—Do.Jones (30).

Chicago (AL) 000 030 011—5 7 0
St. Louis 001 100 110—4 10 1

Drabek, Foulke (7), McElroy (8), J. Darwin (8), T. Castillo (8), Karchner (9) and Fabregas; Morris, Beltran (8), Frascatore (8), Fossas (9), C. King (9) and Difelice, Pagnozzi (8). Lampkin (9). W—T. Castillo, 4-4. L—Fossas, 1-6. Sv—Karchner (13). HR—Chicago, Ordonez (2).

Minnesota 201 030 100—7 13 1
Chicago (NL) 202 200 000—6 12 0

Robertson, Ritchie (3), Trombley (6), Swindell (7), Aguilera (9) and Steinbach; Trachsel, D. Stevens (6), Patterson (7), Pisciotta (8) and Servais. W—Trombley, 2-2. L—D. Stevens, 0-2. Sv—Aguilera (23). HRs—Minnesota, Meares (9). Chicago, Sosa (31).

Baltimore 003 010 000—4 10 1
Florida 301 005 01x—10 9 0

Erickson, Boskie (6), Orosco (6), Te.Mathews (7) and Webster; Saunders, Alfonseca (5), F. Heredia (6), K. Miller (7), Cook (7), Powell (9) and C. Johnson. W—F. Heredia 5-2. L—Boskie 6-5. HRs—Baltimore, Webster (6). Florida, D. White (2), Floyd (3).

Detroit 000 200 101—4 10 0
Atlanta 000 200 000—2 6 1

Moehler, Sager (7), M. Myers (7), Brocail (8), To.Jones (9) and Casanova; G.Maddux, Cather (8), Embree (9), Clontz (9) and Edd.Perez, J. Lopez (8). W—Moehler 9-10. L—G. Maddux 17-4. Sv—To.Jones (26).

San Diego 000 000 204—6 7 3
Seattle 401 100 12x—9 11 0

J.Hamilton, Bergman (4), D. Veras (6), Bochtler (7), Bruske (7) and Flaherty; Fassero, Spoljaric (8), Ayala (9) and Da.Wilson. W—Fassero 14-8. L—J. Hamilton 10-5. HRs—San Diego, S. Finley (24), Cianfrocco (4). Seattle, Griffey Jr. 2 (46).

San Francisco 012 020 003—8 10 2
Oakland 010 001 000—2 9 3

Rueter, R. Hernandez (8), Beck (9) and B. Johnson; Lorraine, Groom (7), A. Small (5), Taylor (8), T. J.Mathews (9) and Molina. W—Rueter 10-6. L—Lorraine 2-1. HRs—San Francisco, Bonds (32). Oakland, Stairs (26).

Colorado 030 010 000—4 11 0
Anaheim 100 000 000—1 9 0

Thomson, Dipoto (9) and Manwaring; Watson, P. Harris (7) and Kreuter. W—Thomson 7-8. L—Watson 11-9. Sv—Dipoto (12). HR—Colorado, Pulliam (2).

AMERICAN LEAGUE LEADERS

	G	AB	R	H	Avg.
FThomas ChW	122	446	96	157	.352
Justice Cle	113	396	73	134	.338
BeWilliams NYY	105	415	88	137	.330
SAlomar Cle	107	391	54	129	.330
EMartinez Sea	137	477	94	157	.329
WClark Tex	110	393	56	128	.326
Greer Tex	133	508	92	165	.325
Ramirez Cle	124	455	80	148	.325
MVaughn Bos	117	441	81	142	.322
ONeill NYY	127	475	77	152	.320

RUNS—Garciaparra, Boston, 107; Griffey Jr, Seattle, 105; Knoblauch, Minnesota, 101; Jeter, New York, 99; F. Thomas, Chicago, 96; E. Martinez, Seattle, 94; B. LHunter, Detroit, 93.

RBI—Griffey Jr, Seattle, 126; T. Martinez, New York, 125; Salmon, Anaheim, 109; F. Thomas, Chicago, 106; JuGonzalez, Texas, 105; O. Neill, New York, 105; Belle, Chicago, 100.

HITS—Garciaparra, Boston, 182; Greer, Texas, 165; Griffey Jr. Seattle, 162; Jeter, New York, 161; JhValentin, Boston, 160; I. Rodriguez, Texas, 160; F. Thomas, Chicago, 157; E. Martinez, Seattle, 157.

DOUBLES—JnValentin, Boston, 42; Cirillo, Milwaukee, 39; Cora, Seattle, 38; Belle, Chicago, 37; O. Neill, New York, 37; A. Rodriguez, Seattle, 36; Garciaparra, Boston, 34; Erstad, Anaheim, 34.

TRIPLES—Garciaparra, Boston, 10; Knoblauch, Minnesota, 9; Damon, Kansas City, 7; Jeter, New York, 7; Burnitz, Milwaukee, 7; Alicea, Anaheim, 7; Offerman, Kansas City, 6; Grissom, Cleveland, 6; Vizquel, Cleveland, 6; ByAnderson, Baltimore, 6.

HOME RUNS—Griffey Jr, Seattle, 46; T. Martinez, New York, 41; Thome, Cleveland, 36; McGwire, Oakland, 34; JuGonzalez, Texas, 32; Buhner, Seattle, 32; R. Palmeiro, Baltimore, 31.

STOLEN BASES—B. LHunter, Detroit, 64; Knoblauch, Minnesota, 53; Nixon, Toronto, 47; T. Goodwin, Texas, 44; Vizquel, Cleveland, 37; Durham, Chicago, 30; A. Rodriguez, Seattle, 29.

PITCHING (15 Decisions)—Clemens, Toronto, 20-4, .833, 1.73; R. aJohnson, Seattle, 17-4, .810, 2.32; Moyer, Seattle, 14-4, .778, 3.91; Erickson, Baltimore, 15-5, .750, 3.40; Radke, Minnesota, 18-7, .720, 3.66; Hershiser, Cleveland, 12-5, .706, 4.60; Blair, Detroit, 14-6, .700, 4.03.

STRIKEOUTS—RaJohnson, Seattle, 264; Clemens, Toronto, 237; Cone, New York, 215; Mussina, Baltimore, 188; Appier, Kansas City, 166; Fassero, Seattle, 161; C. Finley, Anaheim, 155.

SAVES—M. Rivera, New York, 40; RaMyers, Baltimore, 40; DoJones, Milwaukee, 30; R. Hernandez, Chicago, 27; Wetteland, Texas, 27; T. oJones, Detroit, 26; Percival, Anaheim, 23; Aguilera, Minn., 23.

NATIONAL LEAGUE LEADERS

	G	AB	R	H	Avg.
LWalker Col	133	496	121	187	.377
Gwynn SD	129	516	80	194	.376
Piazza LA	128	460	86	162	.352
Lofton Atl	99	415	76	144	.347
Joyner SD	113	394	52	132	.335
Alfonzo NYM	125	424	69	140	.330
MaGrace ChC	128	472	72	153	.324
Galarraga Col	132	514	100	162	.315
Lankford StL	109	390	75	121	.310
Mondesi LA	136	525	82	162	.309
Biggio Hou	137	538	123	166	.309
Bichette Col	129	486	68	150	.309

RUNS—Biggio, Houston, 123; L. Walker, Colorado, 121; Bonds, San Francisco, 101; Galarraga, Colorado, 100; EcYoung, Los Angeles, 94; Bagwell, Houston, 94; Piazza, Los Angeles, 86.

RBI—Galarraga, Colorado, 123; Bagwell, Houston, 114; L. Walker, Colorado, 110; Kent, San Francisco, 105; Sosa, Chicago, 105; Gwynn, San Diego, 105; ChJones, Atlanta, 103.

HITS—Gwynn, San Diego, 194; L. Walker, Colorado, 187; Biggio, Houston, 166; Castilla, Colorado, 163; Mondesi, Los Angeles, 162; Piazza, Los Angeles, 162; Galarraga, Colorado, 162.

DOUBLES—Grudzielanek, Montreal, 46; Gwynn, San Diego, 43; L. Walker, Colorado, 41; Lansing, Montreal, 39; Morandini, Philadelphia, 37; ChJones, Atlanta, 35; Mondesi, Los Angeles, 34; Bagwell, Houston, 34; Biggio, Houston, 34; Bonilla, Florida, 34.

TRIPLES—DeShields, St. Louis, 12; W. Guerrero, Los Angeles, 9; Womack, Pittsburgh, 9; Randa, Pittsburgh, 8; Daulton, Florida, 8; Tucker, Atlanta, 7; EcYoung, Los Angeles, 7; A. Martin, Pittsburgh, 7; McRae, New York, 7; D. Sanders, Cincinnati, 7.

HOME RUNS—L. Walker, Colorado, 40; Castilla, Colorado, 37; Bagwell, Houston, 37; Galarraga, Colorado, 36; Piazza, Los Angeles, 32; Bonds, San Francisco, 32; Sosa, Chicago, 31.

STOLEN BASES—D. Sanders, Cincinnati, 56; Womack, Pittsburgh, 47; D. eShields, St. Louis, 45; EcYoung, Los Angeles, 39; Biggio, Houston, 35; Q. Veras, San Diego, 30; Bonds, San Francisco, 29; Dunston, Chicago, 29; Henderson, San Diego, 29.

PITCHING (15 Decisions)—Neagle, Atlanta, 18-3, .857, 2.83; Estes, San Francisco, 18-4, .818, 3.13; Kile, Houston, 17-4, .810, 2.32; G. Maddux, Atlanta, 17-4, .810, 2.39; P. JMartinez, Montreal, 16-6, .727, 1.63; Juden, Montreal, 11-5, .687, 4.22; Park, Los Angeles, 13-6, .684, 3.12.

STRIKEOUTS—Schilling, Philadelphia, 280; P. JMartinez, Montreal, 255; Smoltz, Atlanta, 204; Nomo, Los Angeles, 201; K. JBrown, Florida, 179; Kile, Houston, 173; AnBenes, St. Louis, 165.

SAVES—Beck, San Francisco, 34; JoFranco, New York, 34; T. oWorrell, Los Angeles, 33; Hoffman, San Diego, 32; Nen, Florida, 32; Wohlers, Atlanta, 32; Eckersley, St. Louis, 32.

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	66	44	2	.600	—
Yokohama	60	47	0	.561	4½
Hiroshima	56	52	0	.519	9
Hanshin	49	60	1	.450	16½
Chunichi	50	63	1	.442	17½
Yomiuri	48	63	0	.432	18½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	63	45	2	.583	—
Orix	56	45	3	.549	4
Nippon Ham	53	58	1	.477	11½
Kintetsu	52	57	3	.477	11½
Daiei	51	59	1	.464	13
Lotte	46	57	2	.452	14

TUESDAY'S RESULTS

CENTRAL LEAGUE

Yakult 3, Yokohama 0
Chunichi 4, Hiroshima 2
Yomiuri 2, Hanshin 1

PACIFIC LEAGUE

Seibu 5, Daiei 4
Nippon Ham 6, Orix 4
Lotte 5, Kintetsu 4

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST	W	L	T	Pct.	PF	PA
Miami	1	0	0	1.000	16	10
New England	1	0	0	1.000	41	7
N.Y. Jets	1	0	0	1.000	41	3
Buffalo	0	1	0	.000	13	34
Indianapolis	0	1	0	.000	10	16
CENTRAL						
Cincinnati	1	0	0	1.000	24	21
Jacksonville	1	0	0	1.000	28	27
Tennessee	1	0	0	1.000	24	21
Baltimore	0	1	0	.000	27	28
Pittsburgh	0	1	0	.000	7	37
WEST						
Denver	1	0	0	1.000	19	3
Kansas City	0	1	0	.000	3	19
Oakland	0	1	0	.000	21	24
San Diego	0	1	0	.000	7	41
Seattle	0	1	0	.000	3	41

NATIONAL CONFERENCE

EAST	W	L	T	Pct.	PF	PA
Dallas	1	0	0	1.000	37	7
N.Y. Giants	1	0	0	1.000	31	17
Washington	1	0	0	1.000	24	10
Arizona	0	1	0	.000	21	24
Philadelphia	0	1	0	.000	17	31
CENTRAL						
Detroit	1	0	0	1.000	28	17
Green Bay	1	0	0	1.000	38	24
Minnesota	1	0	0	1.000	34	13
Tampa Bay	1	0	0	1.000	13	6
Chicago	0	1	0	.000	24	38
WEST						
St. Louis	1	0	0	1.000	38	24
Atlanta	0	1	0	.000	17	28
Carolina	0	1	0	.000	10	24
New Orleans	0	1	0	.000	24	38
San Francisco	0	1	0	.000	6	13

MONDAY'S RESULT

Green Bay 38, Chicago 24

CFL Standings

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
Toronto	8	2	0	16	334	176
Montreal	7	3	0	14	261	292
Winnipeg	2	8	0	4	239	301
Hamilton	1	9	0	2	203	308
WESTERN DIVISION						
Edmonton	7	3	0	14	282	239
British Columbia	6	4	0	12	304	274
Calgary	5	5	0	10	280	240
Saskatchewan	4	6	0	8	206	277

Monday's Games

Calgary 27, Edmonton 14
Toronto 46, Hamilton 3:

SOCCER

GERMAN BUNDESLIGA

1860 Munich 1, Arminia Bielefeld 0

SPANISH FIRST DIVISION

Valladolid 1, Real Betis 3

ENGLISH PREMIER LEAGUE

Bolton 0, Everton 0

TENNIS

U.S. Open

MONDAY'S RESULTS

MEN'S SINGLES

FOURTH ROUND

Richard Krajicek, Netherlands, def. Felix Mantilla (12), Spain, 7-5, 6-3, 6-4.

Jonas Bjorkman, Sweden, def. Scott Draper, Australia, 6-3, 6-3, 1-6, 7-6 (8-6).

Petr Korda (15), Czech., def. Pete Sampras (1), U.S., 6-7 (4-7), 7-5, 7-6 (7-2), 3-6, 7-6 (7-3).

MEN'S DOUBLES

THIRD ROUND

Mahesh Bhupathi and Leander Paes, India (10), def. Guillaume Raoux, France, and Jeff Tarango, U.S., 4-6, 6-4, 7-6 (7-3).

David Adams and Wayne Ferreira, South Africa, def. Alberto Berasategui, Spain, and David Roditi, U.S., 6-3, 6-3.

Yevgeny Kafelnikov, Rus., and Daniel Vacek, Czech (4), def. Donald Johnson, and Francisco Montana, U.S. (13), 1-6, 6-3, 6-4.

Jonas Bjorkman and Nicklas Kulti, Sweden (11), def. Mark Philippoussis and Patrick Rafter, Australia (5), 6-2, 6-4.

WOMEN' DOUBLES

THIRD ROUND

Alexandra Fusai and Nathalie Tauziat, France (7), def. Mary Joe Fernandez, U.S., and Anke Huber, Germany (12), 4-6, 6-3, 6-1.

Gigi Fernandez, U.S., and Natasha Zvereva, Belarus (1), def. Lisa Raymond, U.S., and Rennae Stubbs, Australia, 6-3, 6-4.

Lindsay Davenport, U.S., and Jana Novotna, Czech Republic (3), def. Naoko Kijimuta and Nana Miyagi, Japan, 6-7 (2-7), 6-2, 6-2.

Conchita Martinez, Spain, and Patricia Tarabini, Argentina (8), def. Katrina Adams, U.S., and Kristie Boogert, Netherlands (14), 6-4, 6-7 (4-7), 6-4.

Martina Hingis, Switzerland, and Arantxa Sanchez Vicario, Spain (2), def. Anna Kournikova and Elena Likhovtseva, Russia (15), 6-4, 6-4.

MIXED DOUBLES

QUARTERFINALS

Mercedes Paz and Pablo Albano, Argentina, def. Larisa Neiland, Latvia, and Andrei Olhovskiy, Russia, walkover.

Manon Bollegraf, Netherlands, and Rick Leach, U.S., 5), def. Nathalie Tauziat, France, and Daniel Nestor, Canada, 7-5, 6-3.

Brenda Schultz-McCarthy, Neth., and Luke Jensen, U.S., def. Gigi Fernandez, U.S., and Ellis Ferreira, S. Africa (2), 7-6 (7-4), 6-4.

TUESDAY'S RESULTS

MEN'S SINGLES

FOURTH ROUND

Marcelo Rios (10), Chile, def. Sergi Bruguera (7), Spain, 7-5, 6-2, 6-4.

WOMEN' DOUBLES

QUARTERFINALS

Lindsay Davenport, U.S., and Jana Novotna, Czech (3), def. Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands (6), 6-3, 7-5.

MEN'S DOUBLES

QUARTERFINALS

Wayne Black, Zimbabwe, and Jim Grabb, U.S., def. Goran Ivanisevic, Croatia, and Cyril Suk, Czech Republic, 7-6 (11-9), 6-3.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Activated INF Randy Velarde from 60-day disabled list. Bought contract of RHP Anthony Chavez from Vancouver, PCL. Transferred RHP Mark Gubicza from 15-day to 60-day disabled list. Designated RHP Jeff Schmidt for assignment.

BALTIMORE—Activated RHP Shawn Boskie from 15-day disabled list. Recalled RHP Brian Williams from Rochester, IL.

BOSTON— Activated OF Shane Mack from 15-day disabled list. Recalled RHP Derek Lowe and OF Michael Coleman from Pawtucket, IL.

CHICAGO—Recalled LHP Mike Sirotka and C Robert Machado from Nashville, AA.

CLEVELAND—Activated RHP Chad Ogea, RHP Albie Lopez and LHP Alvin Morman from 15-day disabled list.

KANSAS CITY—Called up RHP Scott Service and OF Roderick Myers from Omaha, AA. Activated 3B Scott Cooper and INF David Howard from 15-day disabled list.

MILWAUKEE—Designated INF Tim Unroe for assignment. Put RHP Bryce Florie on 15-day disabled list. Recalled RHP Jose Cabrera from New Orleans, AA.

MINNESOTA—Traded OF Darrin Jackson to Milwaukee Brewers for player to be named.

NEW YORK— Activated 2B Pat Kelly from 15-day disabled list. Recalled OF Scott Pose and Infielder Andy Fox from Columbus, IL. Optioned infielder Homer Bush to Columbus.

OAKLAND— Put DH Jose Canseco on 15-day disabled list, retroactive to Aug. 27. Activated OF Scott Brosius from 15-day disabled list. Recalled C Izzy Molina and LHP Tim Kubinski from Edmonton, PCL.

SEATTLE—Recalled INF Brian Raabe, OF Raul Ibanez, RHP Rafael Carmona, LHP Greg McCarthy, RHP Felipe Lira and INF Brent Gates from Tacoma, PCL. Activated C Rick Wilkins from 15-day disabled list. Optioned RHP Ken Cloude and RHP Bob Wolcott to Memphis, SL. Designated RHP Alex Pacheco for assignment.

TEXAS—Activated RHP John Burkett from 15-day disabled list. Optioned RHP Eric Moody to Oklahoma City, AA.

NATIONAL LEAGUE

ARIZONA—Bought contract of SS Julius Matos from Sioux City, NL.

ATLANTA—Recalled RHP Kevin Millwood and RHP Kerry Ligtenberg from Durham, CL, and INF Randall Simon from Richmond, IL. CL. Bought contract of C Tim Spehr from Richmond. Transferred LHP Terrell Wade from the 15- to the 60-day disabled list.

CHICAGO—Recalled OF Brooks Kieschnick from Iowa, AA.

CINCINNATI—Recalled Pete Rose Jr. from Chattanooga, SL. Claimed 1B Mark Johnson off waivers from Pittsburgh Pirates and optioned him to Indianapolis, AA. Put SS Barry Larkin on 60-day disabled list.

FLORIDA—Activated LHP Al Leiter, OF Cliff Floyd, INF John Wehner and RHP Kurt Miller from 15-day disabled list. Sent RHP Donn Pall to Charlotte, IL. Recalled RHP Bill Hurst from Portland, EL and put him on 15-day disabled list.

HOUSTON—Recalled OF Bob Abreu, OF Richard Hidalgo, and INF Luis Rivera from New Orleans, AA. Transferred OF Ray Montgomery from 15-day to 60-day disabled list.

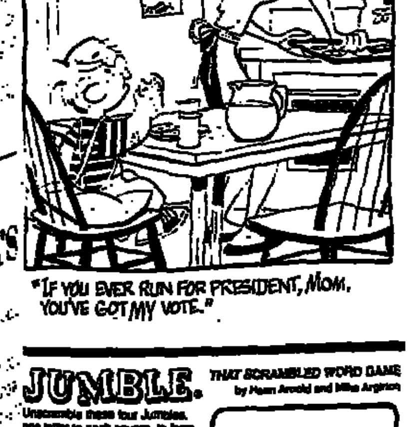
NEW YORK—Recalled RHP Juan Acevedo, LHP Joe Crawford, LHP Takashi Kashiwada, INF Shawn Gilbert, C Alberto Castillo and 2B Jason Hardtke from Norfolk, IL. Bought contract of 1B Roberto Petagine from Norfolk.

PHILADELPHIA—Activated RHP Ken Ryan from 15-day disabled list.

ST. LOUIS—Recalled RHP Jose Bautista, RHP Sean Lowe, INF Dmitri Young, INF Luis Ordaz, INF Jeff Berblinger, INF Scott Livingstone, C Eli Marrero, LHP Lance Painter and RHP Manny Aybar from Louisville, AA. Sent RHP Sean Lowe to Louisville.

SAN FRANCISCO—Recalled RHP Pat Rapp, INF Wilson Delgado, OF Jacob Cruz and OF Dante Powell from Phoenix of PCL. Bought contract of RHP Cory Bailey from Phoenix.

DENNIS THE MENACE



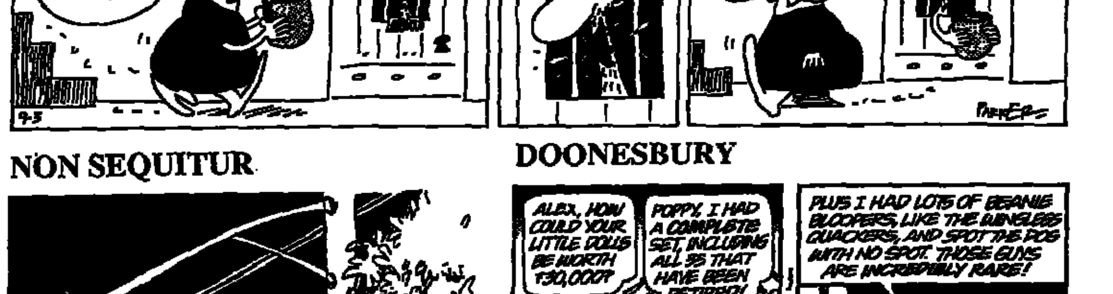
"IF YOU EVER RUN FOR PRESIDENT, MOM, YOU'VE GOT MY VOTE."

PEANUTS

CALVIN AND HOBBES

GARFIELD

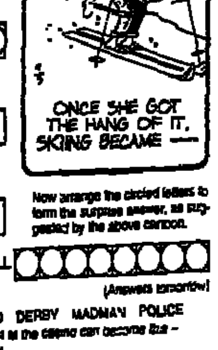
WIZARD of ID



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DORAH
NAGLD
SWILEY
TALIXY



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here : ALL

(Answers tomorrow)

Monday's Jumbles: FLUID DERBY MADMAN POLICE
Answer: A night at the casino can become this — DICEY

BEETLE BAILEY

NON SEQUITUR

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OBSERVER

Photo Opportunities

By Russell Baker

NEW YORK — Because of Princess Diana's death, tabloid journalists will be condemned for constantly invading the privacy of the rich and famous. Afterward, they will keep right on doing it anyhow.

Invading the privacy of the rich and famous pays too well to be abandoned simply because the work is crude and coarse, and a disgusting thing to do, and a shameful way to make a living. "Money's muck," as they said in Lancashire when I was a lad.

We are all cultural slaves to markets nowadays, and there is a booming market for precisely the kind of journalism that sent photographers chasing Diana through Paris on Sunday morning.

Americans love it. So do the English, probably the French and, for all I know, also the Albanians, Kenyans and Pakistanis. I would not be shocked to learn that Outer Mongolians are hunkered in their yurts at this very moment pondering the significance of Julia Roberts's latest marriage or divorce, as the case may be.

The more famous they are, the more eager we are to hear the dark, unspeakable secrets they've hidden for years.

□

Of course there are elegant souls who consider such journalism beneath their attention. They want news of the latest UN debate, bulletins on the Sudanese economy, the inside dope on the recent political coup in Cambodia.

Yet, even readers of such meaty news, you can bet, can, if pressed, recall the tabloid photo of Fergie, the divorced Duchess of York, extensively ungarbed.

And in the presence of a gentleman! Well, a male person at any rate. And both of them thinking themselves alone, never suspecting that a camera was preserving the moment for millions.

Did anyone, even the most conscientious reader of foreign news, refuse to study the tabloid photo of President Bill Clinton's political ace, Dick Morris, cuddling on a hotel balcony with a prostitute?

Morris was a hired political gun. His sex life was of no public consequence. He was important only because he was outfitting Clinton in Republican clothing.

Still, the squalid balcony scene seemed artistically part of the shabby politics being played out in the White House.

□

The emptiness of tabloid journalism evokes memories of Nathanael West's eerie Hollywood novel, "The Day of the Locust."

This was a macabre vision of the empty lives of ordinary people enchanted by glamorous Hollywood life. It ends with these disappointed dreamers rioting in a rage induced by sudden awareness of the emptiness of their lives. The disillusioned mob's fury consumes the stuff its dreams are made of.

We now consume "celebrities" like potato chips. And what is a "celebrity" if not a reminder that we are less interesting, less rich, less sexy, less lucky, less glamorous, less vicious, less talented, than people at the top? Celebrities rub our noses in our own emptinesses.

And, oh, how we need them.

New York Times Service

From Good Life (Cuba, B.C.) to Life on the Road

By Mike Zwerin
International Herald Tribune

Remy Elliott's father told him, "It's a dangerous life. I'm afraid you're a bad risk, son."

PARIS — One day, a blues musician pulled up in Remy Elliott's driveway in a Cadillac. Young Remy was dribbling a basketball in front. "Let's see the ball, kid," the man said. He took some shots at the hoop and introduced himself: "My name's Lightnin' Hopkins. Your dad at home?"

"He wanted my dad to put his records on the jukeboxes. You know, you never forget a name like that."

The Elliott family was living in New Orleans. Remy had been a navy brat at Guantanamo Bay, Cuba. He was 4 when his father the admiral saw the writing on the wall and retired. Later, Admiral Elliott would refer to this period of time as B.C. — before Castro.

His dad set up shop in the jukebox business. His territory was the district with the black bars north of Lake Pontchartrain.

An admiral's pension was just fine. "My father was an excellent cat," Elliott says today. He has lately been banging on a word processor in his excellent duplex in the Marais district in Paris trying to reconstruct his memories of B.C.:

"Let me paint you a picture of a place long ago and far away . . . where life was neither determined by the grace of God nor the goodness of one's mother, but somewhere in between."

"New Orleans was fine. I'd go around with my dad to service the jukeboxes."

Elliott formed a band with the son of one of the Italian bar owners. They were the only white guys in the band. One of the first things he learned was that behind the doors that said "black only," the people were playing better music and having more fun. Otis Redding played his high school prom.

He studied architecture in Louisiana State University and again, later, in Austin, Texas, where he also played the blues in a bar. Then another name to reckon with, Albert King, passed through and asked Elliott to come on the road with him. It took Elliott, who was 20, about 25 seconds to say yes.

His parents were not thrilled.

"It's a dangerous life," his father said. "An insurance man told me that the average life expectancy of a road musician is 42. I'm afraid you're a bad risk, son."

Remy, who is 42 now, eventually learned that his dad was "absolutely right. There's no question about it. I should be dead by now."

Elliott "kicked around" in roadhouses deep in the woods playing soul music in barn-like structures where the specialty was chicken fried in bacon grease. He was with Wilson Pickett "for a minute." When a bass player he knew from the Butterfield Blues Band was hired by Chaka Khan, Elliott went out to Los Angeles with him and joined her too.

Chaka Khan's schedule was that she would go on a hard tour for about six weeks, then she wouldn't do anything for months. And then she'd get another batch of work and call everybody up again. This was considered a steady gig.

The folklore could get a little heavy. He worked with a soul singer around Texas who hired a bunch of white guys to play with him for "minimum bread."

"They were happy just to be associated with his name. During his rehearsals there would be a bottle of Jim Beam on the table, a gram of coke and a gun. In about an hour, the Jim Beam was empty. Then the coke was gone. The gun was still there. At this point, the singer said: 'No mistakes, man. No mistakes.'"

Along similar lines, he remembers a veteran manager advising a certain hot young singer, who shall also remain nameless for obvious reasons, that he should "put the pipe down, put the guns away and get those girls with the sequins out of here."

His biggest influence was Professor Longhair, and he loved to hear Lee Dorsey sing "Workin' in a Coal Mine." He made a record with the Gap Band but it flopped.

"No promotion to speak of," he said. "Nothing was straight in those days. Forget promotion. It was all payola. I just couldn't handle that. Promotion was when the manager sent an express package with cash in it and a record and maybe, just maybe, the record got played on the radio. These blues groups I played with were real road warriors — a venerable breed. But I got burned out. I wanted to play salsa again and I moved to Puerto Rico.

"There's another side to all of this, though. You got to remember, man, working with these people involved more than chump change. There was plenty of cash and there were times when I was a couple of hundred large. I had a bundle from time to time. Of course I wasn't going anywhere either, but I wasn't worried about my future. I was still young and, believe it or not, around this time I was starting to learn to play some serious piano."

He was in musicians' heaven. Freedom without obligations. Money without responsibilities. He went to the town of Woodstock to play with the Butterfield Blues Band. It was "great music, a beautiful summer, and the fall was superb. But then winter hit and I got out. I hate cold weather." He was making big-league money but staying laid back in perpetual spring training.

Not too long ago, he was working with Bonnie Raitt in Los Angeles, replacing Aaron Neville's son Ivan on keyboards: "It wasn't exactly . . . well, it was just backing up a singer that's all, and I was staying in the Motel Six, not the Ritz."

He felt like he was being "drawn and quartered" in Los Angeles. So his father told him: "Son, the world's like a big house. You don't have to spend your entire life in one room. Why don't you get out of this country? Rem, leave America."

So he is now leading a Parisian band with a good African rhythm section. Which seems to be the thing to do for people like him these days.

"I always liked Europe," he says. "I don't see any point in going back right now. I bought a barn in the country down near Montpellier. It's got these tremendous old beams. I can put my architectural training to some use."

Remy Elliott & Prime Crime, Lionel Hampton Jazz Club, Hotel Meridien, Porte Maillot, Paris, Sept. 22-27.

THE ROARING EIGHTIES

High Times, Fast Food: Cooking Up 'The Story of Junk'

By Molly O'Neill
New York Times Service

Philip Greenberg/The New York Times

Linda Yablonsky, novelist of the hip restaurant scene.

NEW YORK — All in avant-black, razor thin, deadpan, downtown and not about to endanger the fastidious contour of her blood-red lipstick with a superfluous smile, Linda Yablonsky considered the neighboring tables at Restaurant 147 in Chelsea.

To her right, two women gossiped about friends and the hurdles that lay along their corporate fast tracks. To her left, a young couple parsed each course they were served.

"Restaurants have gotten very serious," Yablonsky said dryly.

She remembers talk of dreams and art, sex and drugs in the decade when she was chef at the hip, downtown restaurants favored by scene makers and scene seekers in the late 1970s and early '80s.

Restaurants were different then. Sybarites of the age of junk bonds and junk art were satisfied with high-style junk food, she said. And people who cooked for them were underpaid and often under the influence; kitchens were often an alcohol-drenched, drugged-out, seat-of-the-pants world, not the smooth, professional machines many are today.

Yablonsky portrays that world in her first novel, "The Story of Junk," which was published by Farrar, Straus & Giroux in April.

Previous generations of writers came of age sitting in cafés. Yablonsky, 49, is one of a number of young Americans who came of age working in restaurants.

Half a dozen restaurant-centric novels, memoirs and essay collections have been published in recent months. But most of them, like "The Butter Did It," a whodunit by Phyllis Richman, the restaurant critic for The Washington Post, or "How I Gave My Heart to the Restaurant Business" by Karen Hubert Allison, are romps that do not reach beyond the pageantry of restaurants for their drama or the threat of dietary intemperance for their danger.

"The Story of Junk," on the other hand, delves into the underbelly of restaurants, presenting the physically exhausting process of cooking as a path to transcendence, albeit one riddled with pitfalls.

In "The Story of Junk," a chef can be the master of her universe or a casualty of glitz, drugs and grand schemes.

In the middle of a different decade, Yablonsky ordered ginger ale on the rocks at Restaurant 147. It's been seven years since she retired from restaurant work, 12 since she quit drugs and alcohol. To her, the two events are inextricably linked.

"Everything went so fast in the '80s," she said. "People got famous, got crazy, got sick, lost everything. I thought I had to make them feel better."

The succor provided by Yablonsky, like the unnamed narrator in her book, was not just grilled fish and roasted baby vegetables.

"When I had a minute to step away from the stoves, I'd take them, one or two at a time, into the walk-in fridge for a snort," the chef in "The Story of Junk" recalls. "Here, among the lobsters and lemons, the sides of beef, was my own little private club, my sanctified place in the world."

The country was in those days just becoming infatuated with food, and college graduates were just beginning to cook professionally.

Yablonsky was an aspiring playwright from Philadelphia. "Unenthralled with the ivory tower," she ruled out graduate school. She found that creating menus "offered more of an instant gratification than creating fiction."

Like the narrator of her novel, Yablonsky rose quickly from scullery to chef. She moved from no-name dives to the Empire Diner, the Lower Manhattan Ocean Club, 1 University Place.

"Because I'm small and a woman I thought I had to work twice as hard to prove myself," she said. She thinks that the discipline of cooking may ultimately have saved her from herself.

"Cooking taught me not to be afraid of the knife," she said. "That's a lesson that came in handy in cutting self-destruction out of my life. It probably helped me create a sparse prose style as well."

Kicking heroin, along with the daily marathon of cooking upscale junk food, the book's heroine is last seen cooking contemplatively in a tiny health food restaurant.

Yablonsky, on the other hand, can usually be found in her ground-floor apartment in Chelsea, writing a monthly column for Paper magazine or weekly art criticism for Time Out New York or organizing Nightlight, a writers' reading series that she founded and runs at the Drawing Center, 35 Wooster Street.

From her desk, she can survey the garden she built in the years since she quit cooking and started writing.

"I am still not sure how I lived through it," Yablonsky said. "I worked 12-hour days, didn't eat, got high, went out until dawn, came home and did it again. A lot of the people I knew then are dead."

Many others are writing or painting, raising children, running record labels or making movies.

Others stayed in restaurants, providing some of the inventiveness and finesse that has changed the nation's menus, and contributing to the rising standard of professionalism in restaurant work.

None of them go out much anymore.

Restaurants are too good and too expensive to take lightly, Yablonsky said.

"And they've gotten so well organized," she continued, "They turn the tables two or three times a night. You can't just sit forever anymore."

Predictability has been one result of this professionalism. "You can get a good meal just about anywhere now," she said. "Of course, its usually the same meal."

What changed everything was that 1980s dream of making a quick fortune, she said.

"Artists, cooks, everybody stopped taking risks and started working to meet the expectations of the people who could pay them," she said.

In the late '90s, Yablonsky said, she misses the downtown "where everybody was broke but doing what they wanted."

PEOPLE

THE Petit Larousse, the French dictionary/minencyclopedia, is bringing into its 1998 edition a host of foreign terms and names from e-mail to **Magic Johnson**. The Larousse team, which spent three years on the revamp, resisted a recommendation by France's General Commission on Terminology and Neologisms to write a Frenchified "E-mel" instead of "E-mail." The dictionary features recent terms like cybercafé and Creutzfeld-Jacob disease ("Internet" made the Larousse in 1995.) Also accepted are a bouquet of celebrities, among them the actors **Jack Nicholson, Robert Redford** and **Liv Ullmann**; singers **David Bowie, Chuck Berry, Leonard Cohen** and **Aretha Franklin**; and the chessmen **Anatoli Karpov** and **Garry Kasparov**.

□

Warren Beatty is being sued by a Hollywood screenwriter who claims that the actor and producer did not pay him fully for his work on the script for "Ocean of Storms." **Aaron Sorkin**, the screenwriter for "The American President" and "A Few Good Men," filed the suit in Los Angeles Superior Court against Beatty and 20th Century-Fox.

□

Laurence Fishburne plays a character in the new movie "Hoodlum" that he says many Americans aren't used to seeing — a black, Depression-era gangster. "Black people are everywhere, and they've done extraordinary things everywhere as well as some things that are quite embarrassing and shameful," Fishburne said. "There are a lot of stories, and a lot of them should get told." "Hoodlum" features Fishburne and *Andy Garcia* playing crime bosses based on real gangsters in Harlem.

Peter Morgan/Reuters

HERE COMES THE SUN — Costumed members of the Sun Tribe troupe dancing down Brooklyn's Eastern Parkway in a West Indian Day parade.

□

Singers, dancers, comedians, impersonators and celebrities helped **Jerry Lewis** bring in a record $50.5 million during the 32d annual muscular dystrophy telethon. The 21½-hour telethon featured performers from the musical "Ragtime" and a taped number from "Riverdance." Celebrities including **Tony Danza, Charo** and **Jerry Springer** joined Lewis in urging pledges. "The American people have set a new standard in expressing love and caring," said Lewis, who is the national chairman of the Muscular Dystrophy Association.

Nine Nobel prize winners meet in Prague this week to discuss the world in the next millennium in a forum hosted by the Czech philosopher president **Vaclav Havel**. The forum is being co-organized by the Jewish Nobel Peace Prize winner **Elie Wiesel**. Other Nobel Peace laureates due to take part are the **Dalai Lama**, the former Israeli Foreign Minister **Shimon Peres**, the former Costa Rican President **Oscar Arias**, the former South African leader **F.W. de Klerk** and the East Timor independence activists **Bishop Carlos Belo** and **Jose Ramos-Horta**. The exiled Nigerian writer and literature prize winner **Wole Soyinka** and the 1958 medicine prize winner, **Joshua Lederberg**, are also expected to attend.

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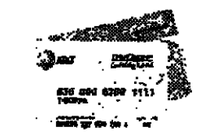

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3. Dial the calling card number listed above your name

AT&T Access Numbers

EUROPE	
Austria●○	022-903-011
Belgium●	0-800-100-10
France	0-800-99-0011
Germany	0130-0010
Greece●	00-800-1311
Ireland□	1-800-550-000
Italy●	172-1011
Netherlands●	0800-022-9111
Russia●▲(Moscow)◗	755-5042
Spain	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0500-89-0011
	0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)◆	510-0200
Israel	177-100-2727
Saudi Arabia◇	1-800-10
AFRICA	
Ghana	0191
South Africa	0-800-99-0123

Can't find the Access Number for the country you're calling from? Just ask any operator for AT&T Direct® Service, or visit our Web site at: http://www.att.com/traveler

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